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**International Issues
Review**



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June 1984

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International Issues Review



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This publication is produced by the Office of Global Issues. Some issues contain articles drafted in other offices. Some articles are preliminary or speculative in nature, but the contents are formally coordinated as appropriate with other offices within CIA. Occasionally an article represents the views of a single analyst; these items are clearly designated as noncoordinated views. 

25X1

Secret
GI IIR 84-003
June 1984



25X1

Contents

		<i>Page</i>	
Arms Transfers	Upgrading Fighter Aircraft		
		1	25X1

Many countries are upgrading their fighter aircraft rather than replacing them with new, high-priced aircraft. Manufacturers of power plants, electronics equipment, and weapon systems stand to benefit from the increased interest in fighter upgrades.



25X1

Export Prospects for West European Armored Vehicle Manufacturers

5

25X1



West European manufacturers of armored vehicles are caught between the increased ability of Third World customers to produce their own armored personnel carriers and reconnaissance vehicles, and the strong preference for US or Soviet manufactured tanks among those Middle Eastern countries which are the only Third World countries who can afford main battle tanks.



25X1

Poland: Procurement of Western Weapons

11

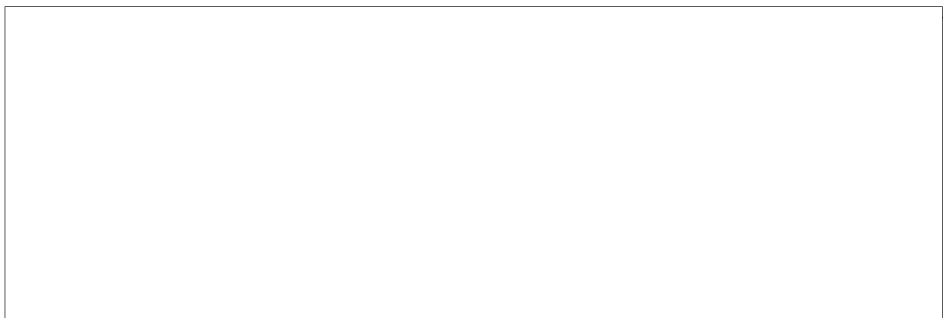
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Two recently uncovered cases of illicit arms shipments suggest that Poland purchases large quantities of Western weapons for resale on the international gray arms market.



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[Redacted]

25X1

Communist Activities

Cuba: Expanding LDC Economic Services Program

17

[Redacted]

25X1

The Cuban economic services programs in the Third World afford Havana both an opportunity for political penetration and a major source of hard currency to support the Cuban economy. [Redacted]

25X1

The Soviet Military Advisory and Training Program for the Third World

23

[Redacted]

25X1

Moscow has an extensive program of advisory and training assistance to support its arms export efforts that also provides significant opportunities for political penetration. [Redacted]

25X1

China's Third World Military and Economic Programs: Growing Commercial Interests

29

[Redacted]

25X1

China's shift to an arms sales and economic aid policy in the Third World aimed more at economic benefit than political gain is reflected in large increases in both of these programs in the last five years. [Redacted]

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International Narcotics

Heroin Trafficking: The Syrian Connection

35

[Redacted]

25X1

Government indifference and military corruption are contributing to Syria's growth as a major transit point for the receipt and shipment of illicit narcotics, including opium, morphine, and heroin. [Redacted]

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Jamaica: Drug Trafficking Increases as Enforcement Falters

39

[Redacted]

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Prime Minister Seaga's efforts to curb marijuana exports have been stymied by resource limitations and legislative footdragging. The manual eradication program has had no impact on the growing exports of marijuana from the island. [Redacted]

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Comments and queries are welcome [Redacted]

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[Redacted]

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Arms Transfers

Upgrading Fighter Aircraft [Redacted]

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Summary

Many countries are upgrading their fighter aircraft rather than replacing them with new, high-priced aircraft. Manufacturers of power plants, electronics equipment, and weapon systems stand to benefit from the increased interest in fighter upgrades. These revenues, however, will not compensate for the expected loss of \$1.4-4 billion in foreign sales that airframe producers will experience, as upgrade programs reduce the export market for new fighter aircraft during the next decade. [Redacted]

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Fighter Life Extension Programs

Programs to extend the operational life of existing fighter aircraft provide an attractive alternative to new aircraft for countries seeking to modernize their air force. The high costs of procuring advanced fighters and recent advancements in electronic weapon systems have generated interest in fighter upgrades. According to [Redacted] US attache reports, the addition of a new power plant and avionics suite to an older fighter costs one-fourth to one-third of the \$20-25 million unit price of most new fighters. For example, the inclusion of a head-up-display (HUD) and associated equipment, not available on fighters manufactured in the 1960s, and a new engine to an F-5 would cost about \$5 million. Furthermore, modernization programs eliminate the additional problems of introducing a new training and logistic program that traditionally accompany the purchase of new fighter aircraft. [Redacted]

factor. [Redacted]

Several countries have already begun or are considering extending the usefulness of their existing fighters. The majority of these projects concentrate on improving an aircraft's power plant, avionics, and weapons delivery capabilities, although structural modifications to the airframe also are often necessary to accommodate the aircraft's improved performance. These projects include:

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- The Chilean Air Force is upgrading and modernizing their 1950-vintage Hawker/Hunter fighter-bombers with an improved radar and modified gunsight to improve the aircraft's survivability and effectiveness in combat.

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The most likely candidates for modernization are multirole fighters now approaching the end of their operational life (see table). [Redacted] these aircraft have the greatest potential for upgrade because of their ability to adequately perform air-to-air and air-to-ground missions. The general condition of the aircraft, however, can be a limiting

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Possible Candidates for Fighter Modernization and Life Extension

Aircraft	Primary Mission	Entered Series Production	Approximate Number Exported ^a	Number of Countries Operating Aircraft ^b
F-5	Interceptor— Light Attack	1964	1,848	24
F-104	Interceptor	1956	1,236	11
F-4	Interdiction	1962	1,401	10
A-4	Ground Attack	1954	685	8
Mirage III/5/50	Interceptor— Ground Attack	1958	808	14
Hawker/Hunter	Interceptor— Ground Attack	1953	608	12
MIG-19 (F-6)	Interceptor	1954	2,460	8
MIG-21 (F-7)	Interceptor	1956	2,057	16
SU-7	Ground Attack	1958	196	4
MIG-17	Interceptor	1952	2,047	8

^a Actual number of operational aircraft will be less due to attrition and war losses.

^b Excludes original country of manufacture and Warsaw Pact recipients.

[Redacted]

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- Switzerland plans to upgrade 52 of their Mirage IIIs and extend their operational life into the 1990s by adding new electronics equipment and modifying the fuselage for improved subsonic performance, [Redacted] and press reports.

- The Spanish Air Force wants to extend the life of its 56 F-5s to the year 2000. [Redacted] Spanish Air Force officials conceded that they would not have funds following the purchase of the F-18 for an F-5 replacement. [Redacted]

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The most extensive upgrade program to date involves the F-4 Phantom. Israel, West Germany, Japan, and Great Britain are planning various modifications to their fleets of F-4s. [Redacted] notes that the Israeli Air Force plans to install a new radar and cockpit avionics and is attempting to develop a standoff guided munition with a range of 40 miles for its Phantoms. [Redacted]

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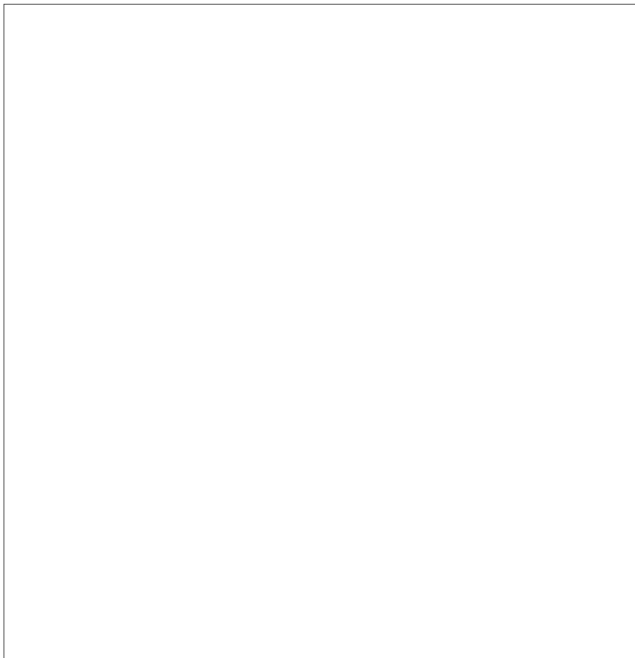
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- Singapore also may upgrade their A-4s but with a new engine. [Redacted]

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Impact on the Fighter Export Market

While suppliers of subassemblies and components prosper from upgrade and modification programs, airframe manufacturers probably will suffer. We believe that financial constraints and the completion of many inventory modernization and expansion programs will cause the export market for jet fighters to experience a possible 40-percent decline from the 10,000 exported during the past decade, and upgrade programs will depress the market further.¹ Approximately 200 to 500 fighters will be upgraded during the next decade in lieu of new aircraft purchases, in our opinion, which would represent a loss of between \$1.5-4 billion in foreign sales for airframe producers worldwide.² For aircraft manufacturers in Western Europe such as Dassault of France, who have come to rely on exports to bolster their production abilities and reduce costs for domestic armed forces, a decrease in foreign sales will strike a serious blow to the development of their overall military aircraft capabilities, regardless of the revenues West European electronics and engine firms earn. [redacted]

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Supplier Response

Companies that produce components for fighter aircraft stand to benefit substantially from these modernization programs. Manufacturers that originally supplied the equipment for the basic aircraft also are in a favorable position to profit from upgrades. Peru, for example, chose a head-up-display and laser range-finder supplied by the French electronics firm Thomson-CSF to enable their Mirage 5s to operate Magic 550 infrared air-to-air missiles, according to press reports. The Venezuelan Air Force also decided to use French expertise to modernize the engines and avionics of their Mirage IIIs and 5s. [redacted]

Manufacturers of new aircraft also will face stiff competition from countries offering upgraded fighters for export. [redacted]

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[redacted] is offering used J-35 Draken fighter to Austria, which is experiencing budgetary constraints and may not be able to purchase new Mirage 50's. According to press sources, Singapore Aircraft Industries may now be in a position to offer modernized A-4s on the international fighter market. [redacted]

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Manufacturers of subassemblies also have provided upgrade packages for both Communist and Western aircraft in foreign inventories. Marconi of Great Britain, for example, is supplying head-up-displays and technical assistance to China to improve their F-7 fighter aircraft. [redacted]

² This figure is based on \$8 million for each airframe. [redacted] an airframe generally constitutes one-third of the cost of a new aircraft. [redacted]

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Export Prospects for West European Armored Vehicle Manufacturers []

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Summary

The prospects for West European armored vehicle exporters are poor. Main battle tanks are now affordable only by countries in the Middle East, most of whom prefer US and Soviet equipment. Many other Third World states have begun to produce their own armored personnel carriers (APCs) and reconnaissance vehicles (RVs). West European manufacturers are attempting to stay in the market by offering a series of inexpensive light tanks, APCs and RVs equipped with main guns, and infantry fighting vehicles (IFVs), but the demand for this equipment has not been established. We believe West European manufacturers will find a market in providing new guns, electronics, and engines for vehicles already in the inventories of Third World militaries. []

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Armored Vehicle Manufacturers

West European armored vehicle manufacturers have relied on domestic and intra-European demand for their products and have had only modest success in the international market over the past decade (tables 1 and 2). Declining defense budgets and the end of many rearmament cycles have now reduced the European demand for new armored vehicles. Recent defense budget cutbacks are forcing cancellations and delays in planned procurements of armored vehicles by most West European countries. West Germany, for example, has canceled acquisition of the Wiesel RV and the []

Major European importers of armored vehicles—Belgium, Greece, Portugal, and Turkey—are in the midst of replacement cycles expected to end by 1987 and have few funds available for further purchases. []

At the same time, armored vehicle manufacturers face a declining demand for their tanks and APCs in

Table 1

West European Armored Vehicle Production and Demand, 1974-83

Equipment	Number Produced	Customers	
		European ^a	Third World
Total	24,475	13,402	11,073
Percent acquired	100	55	45
APCs and RVs	16,044	8,782	7,262
Tanks	8,431	4,620	3,811

^a Includes domestic and intra-European orders.

[] the Third World over the next few years [] West European prospects have been limited because the United States and the Soviet Union have become major suppliers to Third World

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Table 2
West European Armored Vehicle Sales
to the Third World by Region, 1974-83

Supplier	Number	Recipients			
		Middle East	Latin America	Asia and Pacific	Sub-Saharan Africa
Total	11,073	4,849	2,472	1,991	1,761
	90				90
	292	141	151		
	240		75	165	
	133		33	100	
	8	8			
	3,489	2,316	174		999
	2,049	358	1,651	40	
	1,061	690	78	38	255
	36	36			
	40		10	30	
	308			308	
	49	30	12	7	
	34		34		
	238		126	30	82
	150			150	
	1,105	337	16	527	225
	740	660			80
	908	273	112	493	30
	103			103	

^a Equipment transferred from surplus inventories.

countries. LDC debt problems and declining oil revenues among Middle Eastern states have also restricted sales opportunities.

the Third World market for expensive main battle

tanks is limited to countries in the Middle East that have shown little interest in the West European models. Iran is supplementing its US-supplied inventory with inexpensive Soviet-style tanks provided by

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North Korea and hopes to acquire similar models from China. Libya, Syria, and Iraq acquire most of their tanks from the USSR, [redacted]

to trade journals. [redacted]

Saudi Arabia, an exception, has expressed its preference for the West German Leopard II, but Bonn's reluctance to export tanks in the face of objections from Israel has prevented a sale. The Saudis also have considered the British Challenger, but now appear to

[redacted] is not considering the French AMX-32 and AMX-40 as replacements for its older AMX-30s. Neither French tank has drawn export orders despite a major marketing effort by Paris since 1981. [redacted]

The demand for West European APCs and RVs is also declining because Third World states are increasingly able to produce these less sophisticated vehicles themselves. [redacted] A variety of states—Argentina, Chile, Egypt, and South Korea—manufacture US and West European APCs and RVs under license, limiting export opportunities largely to component sales. Several producers—including Brazil, Israel, and South Africa—also have recently made the jump from licensed assembly to indigenous design and manufacture of APCs and RVs. Foreign suppliers instead are now sought out primarily for inexpensive surplus vehicles or those that fill a specific military requirement. [redacted]

Light Tanks and Heavy APCs and RVs: A Limited Market

To counter these trends, West European defense industries hope to meet what they believe to be a demand for light, multirole vehicles that will meet Third World military and financial constraints, [redacted] Manufacturers believe that Third World states—lacking the funds, operational requirements, and technical expertise to field main battle tanks—will increasingly seek modern light tanks designed for operations by their armies. In anticipation of this demand, Italy's OTO-Melara is developing the OF-30 light tank, scheduled to begin production in 1985. To improve sales prospects in Latin America, OTO-Melara has agreed to coproduce the OF-30 with the Brazilian firm Engesa, according

Similarly, West European producers of APCs and RVs envision that their versatile products will supplement and, in some cases, replace tank inventories, according to trade journals. APCs and RVs equipped with main guns—ranging from 30-mm to 105-mm—are being offered to fill a perceived demand for vehicles with high firepower which are less expensive and easier to maintain than tanks. For example, according to open sources:

- French firms offer several RV series—AML, AMX, EBR, and VBC—with 90-mm guns, while the AMX-10P and AMX-10RC mount 105-mm guns.
 - The British Scorpion RV is offered with a 30-mm, 76-mm, or 90-mm gun.
 - MOWAG of Switzerland recently introduced a Piranha APC mounting a 105-mm gun.
- Manufacturers have already had some initial success marketing APCs and RVs equipped with main guns.

To meet future market demand, manufacturers in Italy, Switzerland, and the United Kingdom are developing IFVs better suited for combat because of their high firepower and mobility (table 3). IFVs are designed to be more mobile than most tanks and are equipped with a rapid-fire chain gun and side ports for infantrymen to fire their weapons from inside the vehicle. West European IFVs will not begin production until 1987, however, giving US and Soviet manufacturers already exporting IFVs an opportunity to establish market positions before the first European vehicles roll off the assembly line. We believe that traditional West European customers will supplement their inventories with European IFVs once they become available because most are standardized with the operational components of earlier, widely exported APCs and RVs. [redacted]

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Table 3
West European IFVs Under Development

Country	Manufacturer	Vehicle	Armament ^a	Speed (km/h)	Troop Capacity ^b
	OTO-Melara		12.7-mm MG	Unknown	12
	OTO-Melara		Oerlikon 25-mm cannon	70	10
	MOWAG		Oerlikon 35-mm cannon, 7.62-mm MG	66	10
	GKN-Sankey		Rarden 30-mm cannon	75	10

^a Represents armament displayed on prototype models; most vehicles will have interchangeable turrets for various armament mountings.

^b Including crew.

We also believe, however, that manufacturers may have only limited success marketing light tanks, APCs and RVs equipped with main guns, and IFVs. The market for these vehicles has been slow to develop, with Third World customers showing only a small interest in similar models that have been on the market since 1976. For example, while several countries—Thailand, Venezuela, and Saudi Arabia—have reviewed Argentina's TAM light tank—incorporating a West German Marder APC chassis and a 105-mm gun—none have placed orders for the vehicle. We believe that Third World customers—contrary to manufacturer expectations—are willing to wait for an improvement in their economic situations rather than purchase these vehicles as less capable substitutes for tank inventories. [redacted]

Refurbishment and Upgrading: Greater Opportunities

The refurbishment and upgrading of vehicles already in the field is a more promising area for West European manufacturers. Financially strapped Third World states, unable to afford new equipment, are increasingly seeking upgrades to enhance the capabilities of current inventories. By maintaining continuity in their inventories, upgrading also allows customers to minimize training requirements and standardization problems. [redacted]

Third World nations are seeking to improve the accuracy, firepower, and mobility of their existing tank inventories. According to trade journals, West European firms are being sought out to equip these vehicles with:

- **More powerful guns.** [redacted]

T-54/55 tanks, while Cockerill of Belgium is offering its 90-mm gun to Latin American operators of the US M-41 Bulldog tank.

- **High-horsepower engines.** Teledyne Continental Motors of the United Kingdom is reengining the Jordanian Army's Centurion tanks with its AVDS 1790-2CC engine. Poyaud of France also recently upgraded Argentina's US-made M-4 Sherman tanks with its 400HP V-8 powerpack and is seeking additional orders from operators of French AMX-13 light tank fleets.

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• *Optical fire-control systems.* [redacted]

[redacted]

Thomson-CSF also is offering its DIVT-13 aiming device for installation in a variety of foreign tanks including: the US M-48, Soviet T-55 and T-62, West German Leopard I, and British Centurion.

[redacted]

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Several West European APC and RV manufacturers also are involved in programs to increase the firepower and performance of older vehicles. France's Hispano-Suiza—one of the most active refitters with seven turrets for application on vehicles in the 5- to 15-ton range—recently upgraded French RVs purchased by Mexico with its Lynx 90-mm gun. Armament also is being developed for refitting onto lighter platforms unable to withstand high-gun recoil forces, while a few companies have designed integrated gun turrets with stabilized aiming devices to permit firing while on the move.

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Poland: Procurement of Western Weapons

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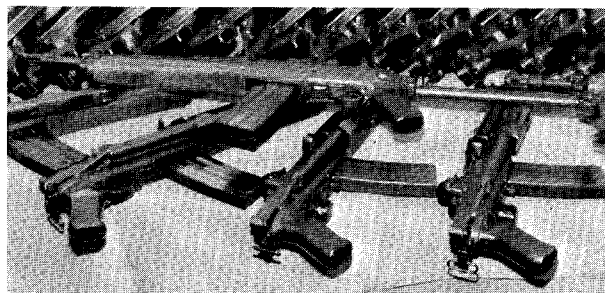
Summary

Two recently uncovered cases of illicit arms shipments suggest that Poland purchases large quantities of Western weapons for resale on the international gray arms market. In one case, the weapons involved probably were purchased for Bulgaria, which may wish to scale down its direct dealings with Western suppliers due to recent press allegations of Bulgarian involvement in arms and drug smuggling.

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The US Customs Service recently arrested officers of two New York firms for attempting to divert a shipment of arms, ammunition, and security equipment from the United States to Poland. According to Customs Service officials, Customs agents seized the following items at JFK International Airport as they were about to be loaded aboard a chartered plane on 21 February 1984:

- 500 US manufactured Ruger AC-556 F fully automatic rifles with folding stocks.
- 100,000 rounds of US made M198 5.56-mm ammunition.
- A variety of sophisticated paramilitary and security equipment including bulletproof vests, antiebugging devices, surveillance cameras, X-ray machines, and night vision scopes.



Ruger AC-556 F rifles seized by US Customs Service agents en route to Poland. With a loaded weight of under 8 pounds and a length of less than 24 inches with the stock folded, the Ruger is compact, light, and easily concealable. It features semiautomatic, three-shot burst, and fully automatic modes of fire, and shoots a 5.56-mm subcaliber, hypervelocity round with a very flat trajectory and excellent energy retention even at long ranges.

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Information developed by the US Customs Service indicates that the weapons—ostensibly destined for Mexico—were to be flown from New York to Europe. After picking up an additional 1,000 West German Heckler and Koch rifles in London and 75 boxes of ammunition and 33 boxes of pistols in Brussels, the pilot reportedly was to declare an in-flight emergency and land in Warsaw.

The types and quantities of ordnance seized suggest that Poland intended to transship or resell these arms to another gray market customer. Polish forces do not

use 5.56-mm rifles or ammunition, and the number of weapons involved is too large for them to have been acquired for familiarization or reverse engineering. Developed for law enforcement agencies, the Ruger is also ideally suited for use by terrorist, insurgent, or criminal groups. Although only slightly larger than many submachineguns, which fire far less powerful pistol ammunition, this weapon fires an extremely lethal round designed to inflict maximum tissue damage.

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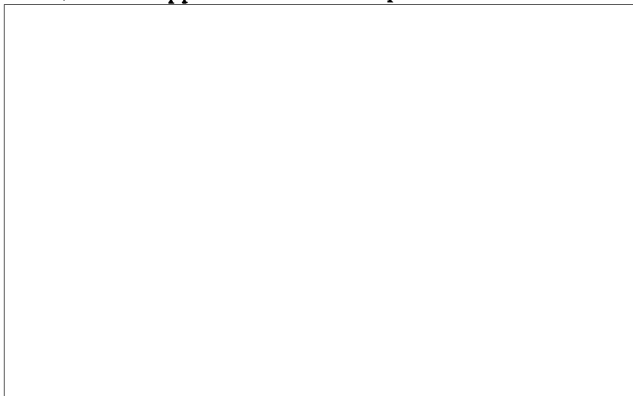
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Customs officials are also investigating the possibility that one of the New York firms involved in this case—Global Research and Development—may be connected with a Swiss firm with the same name, which also supplies Western weapons to Poland.



The acquisition of these pistols through a circuitous route involving at least two private arms dealers suggests that Poland and Bulgaria wish to retain some element of plausible denial should these weapons eventually turn up in the hands of a politically embarrassing recipient.



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A second recent arms seizure suggests that Poland may serve as a purchasing agent for Bulgaria, which has traditionally bought large quantities of Western weapons for resale on the gray arms market. Because of recent press allegations about Bulgaria's role in international arms and drug trafficking, however, Sofia now may wish to reduce its profile. According to a wide variety of press

reporting, on 2 May 1984 Greek authorities confiscated over 10,000 small-caliber Belgian Browning and Spanish Astra pistols aboard a Cypriot freighter bound from Bulgaria to North Yemen. In April 1984 a Syrian arms dealer in Austria brokered the sale of similar quantities of the same weapons to Cenzin, the Polish military supplier. Moreover, Kintex—the Bulgarian state-controlled military supply organization—sought the same weapons in late 1983 and had previously acquired goods from the Syrian broker via Cenzin.

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As with the US Ruger rifles, these Browning and Astra pistols are not used by any East European country. Their sale to gray market arms dealers, however, would have earned Warsaw and Sofia hard currency. These weapons also may have turned up in terrorist or insurgent arms caches. Because of their small caliber and size, these pistols can be easily concealed or silenced and can be sold directly to East European countries without COCOM's permission.

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Communist Activities

Cuba: Expanding LDC Economic Services Program [redacted]

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Summary

Cuba penetrates national economies and increases its presence and influence in much of the Third World by providing technical and economic services. We estimate that more than 20,000 Cuban technicians were assigned to development projects last year in some 29 LDCs. While several setbacks reduced the number of technicians abroad from the record level set in 1981, only 13,600 technicians were abroad five years ago. The personnel are concentrated in teaching and medical services and construction work, with others placed as civilian advisers to ministries and planning agencies. Although some technicians are provided free to many poorer LDCs, wealthier clients pay hard currency for their services. We estimate that Cuba charged an estimated \$150 million last year from its overseas personnel, an amount equal to about 10 percent of its total hard currency export earnings. Recent developments may slow the growth of its civilian presence in southern Africa and Latin America, but Cuba appears to be shifting its attention to commercial development activities in the Middle East. [redacted]

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The Program

Havana uses its economic services program to achieve several objectives in the developing world:

- Initiate and strengthen relationships with LDCs of various political leanings.
- Exert direct influence on national bureaucracies.
- Earn hard currency.
- Communicate the Cuban version of Marxism to large numbers of Third World students through its teaching contingents.
- Enhance Cuba's international image as a champion of poorer nations.

[redacted]

- Syphon off excess labor from the Cuban work force.

[redacted]

We estimate, [redacted]

[redacted] that in 1983 more than 20,000 Cuban technicians were working in LDCs, nearly a 50-percent increase over the number abroad five years ago (see table). Medical personnel, teachers, and construction workers made up the large majority of Cuban civilians overseas, although Havana also placed some 4,200 other advisers and experts in a number of fields suited to economic development. The Cuban contingent abroad last year included:

- About 2,400 medical personnel in more than 20 LDCs, ranging from 750 people in Nicaragua to less than 25 in a number of Sub-Saharan countries. Most furnished basic health care in rural areas.

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**Cuba: Economic Technicians
in Non-Communist LDCs, 1983^a**

	Number of Persons
Total	20,085
North Africa	3,890
Algeria	275
Libya	3,500
Mauritania	15
Western Sahara	100
Sub-Saharan Africa	9,170
Angola	6,000
Benin	110
Burundi	20
Cape Verde	15
Congo	200
Equatorial Guinea	15
Ethiopia	1,000
Ghana	25
Guinea	240
Guinea-Bissau	80
Madagascar	35
Mali	10
Mozambique	1,000
Sao Tome and Principe	225
Seychelles	30
Tanzania	150
Uganda	15
Latin America	6,315
Guyana	35
Mexico	80
Nicaragua	6,200
Middle East	610
Iran	NA
Iraq	400
South Yemen	200
Syria	10
South Asia	100
Afghanistan	100

^a Numbers are estimates rounded to nearest 5, [redacted]
[redacted] In cases where reporting is conflicting
or fragmentary, the number given is a judgment within an estimat-
ed range.

[redacted]

- About 5,000 teachers concentrated in Angola (2,000) and Nicaragua (2,000). Cuban teachers instructed at all educational levels, and some helped design school systems based on the Cuban model.
- More than 8,500 construction workers, with most employed on roadbuilding and housing projects; Angola, Libya, and Nicaragua each hosted more than 2,000 workers. [redacted]

Terms of employment vary by recipient. For poorer countries, such as Ethiopia and the majority of African recipients, Cuba provides free technicians or charges only a nominal amount. For others, such as Angola and Mozambique, there are reports that Cuba charges up to \$1,000 a month in hard currency for each technician. Wealthier LDCs—Algeria, Libya, and Iraq—pay Cuba up to \$2,000 monthly per person in hard currency. These payments are transferred directly to Havana. We estimate that Cuba charges a total of about \$150 million in foreign exchange a year from its paying customers. [redacted]

First Major Setbacks for Cuban Program

Havana's economic services program has been well received by most Third World clients. While Cuba has encountered some complaints about the quality of its personnel or their activities, it still has been able to increase its contingents abroad at a steady pace. Recently, however, Cuba's program has experienced unaccustomed setbacks:

- Grenada expelled nearly 700 Cuban technicians after the invasion, forcing Cuba to abandon construction of the airport that was its largest aid project abroad.
- Suriname ejected Cuban personnel in October because of concern that their presence might provoke a US intervention there as well.

[redacted]

- Cuba evacuated more workers from war zones in Iraq—a move that was criticized harshly by Baghdad and that cut deeply into Cuban hard currency earnings from Iraq.

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[Redacted]

- Angolan rebels this year have begun to mount attacks specifically against civilian technicians; in April there were 80 casualties in a bombing of a facility housing Cuban workers. [Redacted]

Cuba probably will respond to these developments with more careful planning of its foreign activities and a tightening of control over its technicians to avoid the appearance of illegal or otherwise unacceptable behavior. Havana also may step up efforts to create more stable commercial and business ties as a way to maintain and then expand its presence. [Redacted]

Impact: Political Returns Emphasized

Havana has tailored its services program to exploit opportunities for influence in the Third World while enhancing its international image. Castro has openly admitted that Cuba provides educational assistance to exert long-term influence on LDCs. Cuba expects to gain from its educational presence overseas through the rise to prominence of alumni of Cuban programs, as well as a broad diffusion of Cuban-trained students within the technical and political infrastructure of LDCs. According to open sources, Cuban teachers have influenced primary and secondary school systems in Ethiopia, Guyana, Nicaragua, and South Yemen using the Cuban model, which emphasizes Communist ideology. The Cuban press also has reported that educational personnel are selected for overseas duty on the basis of their loyalty and the strength of their Communist beliefs. They then receive six months of training on the political and educational goals of their mission, as well as on social and economic conditions of their assigned country. Other open sources report that in the last five years Cuban teachers in Angola have taught over 300,000 students. According to the press in Managua, 80,000 Nicaraguan students were taught by Cuban teachers in 1981. [Redacted]

Economic technicians placed in ministries and planning agencies also advance Cuban policies in the LDCs. An estimated 4,200 Cubans are assigned as advisers to the economic bureaucracies of more than 20 Third World countries. These personnel, unlike most Cuban civilians overseas, work closely with host-country officials on a daily basis. They have been

hired to assist in economic planning, trade development, agricultural reorganization, mass communications, social and cultural affairs, and other specialties. In the course of their duties, they probably introduce or reinforce Communist concepts of social, political, and economic organization. We estimate that between 1,000 and 1,500 such advisory personnel are in Nicaragua, dispersed throughout every sector of government. Another 1,500 are in Angola and nearly 500 are in Mozambique. [Redacted]

Cuban medical and construction personnel are usually less effective instruments of influence because they often operate in sparsely populated areas and their work is apolitical. Cuban construction workers live in self-contained camps near their jobsites, and most are motivated by material incentives. Still, Havana propagandizes the activities of its medical and construction personnel in the interest of international image building. The personnel themselves, particularly the medical technicians, also may have a positive impact on the rural populaces that benefit directly from their services. [Redacted]

[Redacted]

Cuban economic technicians also are capable of playing a limited military role in their assigned LDC. For example, construction workers in Grenada had access to small arms, and Cuban teachers have had to defend themselves in Nicaragua. [Redacted]

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[redacted] While their fighting skills are limited, Cubans are expected to be able to use small arms in response to hostile action because they often are stationed in dangerous areas. Most Cubans have had basic military instruction in the armed forces or militia organizations, [redacted]

[redacted]

Economic Spinoffs Growing in Importance

Hard currency earnings from Cuba's activities abroad last year more than offset any negative impact the export of some skills might have had on Cuba's own economy. We estimate that Cuba charged about \$150 million for its technical assistance programs in the Third World last year.¹ Nearly a fourth of all Cuban economic technicians abroad worked under hard currency contracts in Arab countries; other receipts came from Angola, Mozambique, and Nicaragua. The export of labor also has slightly reduced unemployment in Cuba—a desirable side effect for a country whose rapidly growing 3-million-member work force is already underemployed. [redacted]

[redacted]

Prospects

We believe that recent events in the Third World may slow the growth of the Cuban technical services program, at least over the near term. These include:

- In Latin America, the expulsion from Grenada and growing problems in Nicaragua. In the wake of the public revelation of Cuban penetration of Grenada's military and economic establishment, we expect many potential recipients to proceed more cautiously in permitting a Cuban presence, particularly in the Western Hemisphere. In Nicaragua, even though the Cubans remain firmly entrenched,

¹ [redacted] Cuba claims to have earned only about 10 percent of that figure from its civilian technicians overseas. Actual receipts could have been less than charges because of Third World arrearages in payments to Havana. [redacted]

Managua has hinted about plans this year to replace some 1,500 Cuban teachers with Nicaraguans trained in Cuban institutes. Rebel activities have already caused the substitution of young Cuban men with recent military training for most women and older technicians.

- In southern Africa, further progress in regional negotiations may reduce tensions and narrow the opportunities for Cuba to maintain large numbers of technicians in the area, particularly if Western influence begins to grow. Therefore, the Nkomati accords and Angola's Cuban troop withdrawal discussions are both threats to the substantial Cuban civilian presence in southern Africa. Also, Angolan rebels this year have announced they now will include civilian technicians in their attacks until all Cubans leave the country. More than one-third of Cuban technicians currently abroad are concentrated in the region. [redacted]

Nonetheless, we expect Cuba to pursue all available opportunities to preserve its technical presence abroad. Through its program, Cuba has increased its influence abroad at low cost, maximized foreign exchange earnings, and eased unemployment at home. For their part, some economically desperate LDCs will continue to accept material assistance and aid personnel from almost any source, including Havana. In the event of Cuban troop withdrawals from major client states, Cuba may find it has to rely primarily on its economic technicians to preserve its Third World influence. [redacted]

While maintaining as much as possible its existing Third World ties, Cuba may now be trying to promote the commercial construction component of the program and forge more economic relationships in the Middle East and diplomatic ties in Africa. [redacted]

[redacted]

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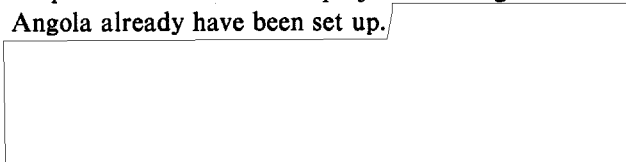
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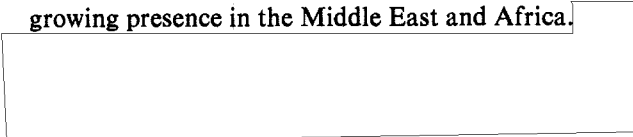
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The head of Cuban overseas construction has publicly stated that Havana actively seeks a larger role in commercial construction activities. The important commercial relationship with Libya appears healthy, and this year Havana named high-level foreign assistance experts as ambassadors to Baghdad and Maputo. New construction projects in Congo and Angola already have been set up.



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All these activities will generate hard currency receipts for Havana while setting the stage for a growing presence in the Middle East and Africa.



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The Soviet Military Advisory and Training Program for the Third World [redacted]

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Summary

Since the mid-1970s, the number of Soviet advisers, instructors, and technicians in LDCs and the scope of military training provided in the USSR has expanded significantly. In 1983 some 17,500 Soviet military personnel (excluding troops) were stationed in LDCs as diverse as Peru, Tanzania, and Syria. In addition, an estimated 4,200 trainees from the Third World—most of them from the Middle East, North Africa, and South Asia—went to the USSR for military training. Both are record numbers. Moscow's willingness to provide this assistance reflects its view of the opportunities to increase its presence, and hopefully influence, in LDCs. During the past decade, the program also has earned substantial hard currency for Moscow, although such considerations apparently remain secondary to the Soviets. [redacted]

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Experts in LDCs: Expanded Presence and Functions

Between 1978 and 1983 the estimated presence of Soviet military advisers, technicians, and instructors in LDCs grew by more than 60 percent, largely as a result of higher volumes of arms deliveries, which included increasingly sophisticated weapons (figures 1 and 2). Security/intelligence assistance gave further impetus to the growth, as did Moscow's continued willingness to provide services under more generous financial terms than the West. In 1983 the Soviet contingent was by far the largest in Syria, which accounted for about 30 percent of the total Third World presence. Large groups also were in Libya, Ethiopia, Angola, Afghanistan, Iraq, and the Yemens, while smaller numbers were posted to countries like Mozambique, Algeria, India, Peru, and Nicaragua. [redacted]

service that absorb the greatest volume of weapons imports, account for an estimated 30 percent of these personnel. Air forces and air defense units, although much smaller, together probably comprise a similar share because of the inability of most clients to operate and maintain even moderately sophisticated weapons. Few Soviets, by contrast, are assigned to LDC navies—almost always the smallest service. [redacted]

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Soviet officers sent to LDCs typically function as advisers to the various services and—to a lesser extent—as academic instructors. In recent years these officers have:

- [redacted]
- Served as political advisers to line units and staffs (in Ethiopia currently, [redacted])

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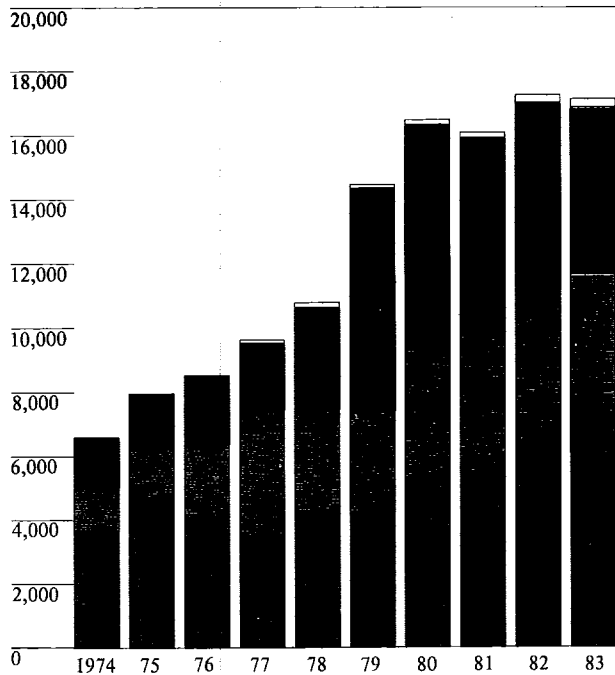
About three-fourths of Soviet military and paramilitary personnel in LDCs probably are assigned to LDC armed forces. Armies, almost always the largest

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Figure 1
USSR: Military and Security/Intelligence Personnel in LDCs, 1974-83

Number of persons^a

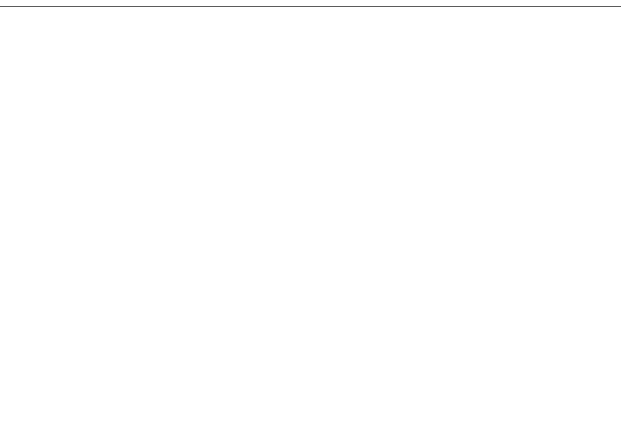
 Latin America	 Sub-Saharan Africa
 South Asia	 Middle East
 North Africa	



^a Estimated number of persons present for one month or more. Excludes troops.

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- Occasionally, provided operational support in a combat situation



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Military Training in the USSR:

Diverse Courses and Clients

Since the late 1970s, Moscow has provided an expanded variety of military and related instruction in the USSR to foreign students from a growing number of LDCs. Training is focused on the operation, maintenance, and repair of weapon systems and tactical military planning, largely because of continuing high levels of arms deliveries to LDCs. Anticipated deliveries of new types of weapons—to either established or new clients—often will lead to the dispatch of trainees at least several months before the equipment is received.

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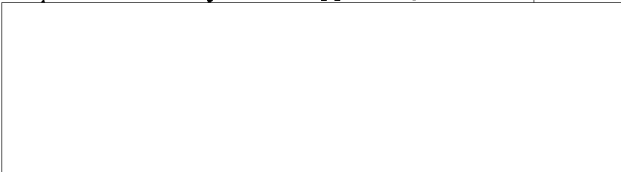
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An estimated two-thirds of all LDC military and paramilitary trainees sent to the USSR in 1979-83 (figure 3) received instruction on ground weapons, fighter aircraft, and air defense hardware—the most important military items supplied by Moscow.

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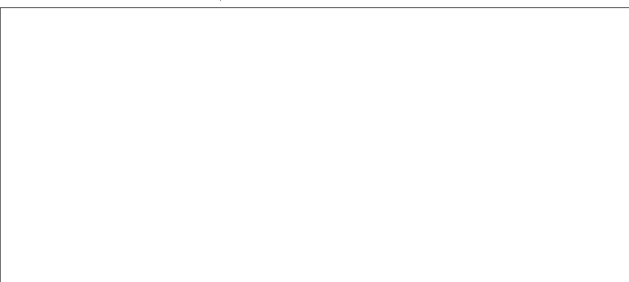
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Specialized training is concentrated in the USSR because of the lack of facilities and other support in LDCs to accommodate training on advanced weapons, in security/intelligence, and for staff officers.

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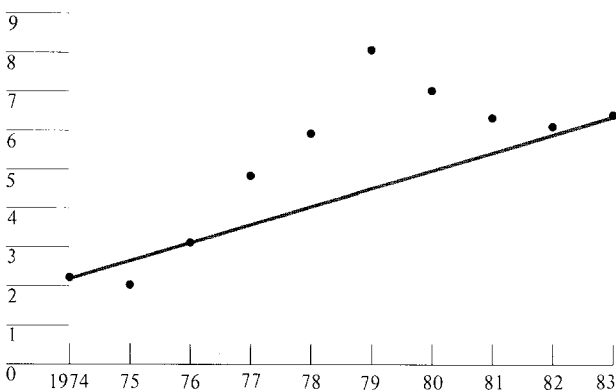
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Figure 2
USSR: Comparison of Military Deliveries and
Military Presence in LDCs, 1974-83

Note change in scales

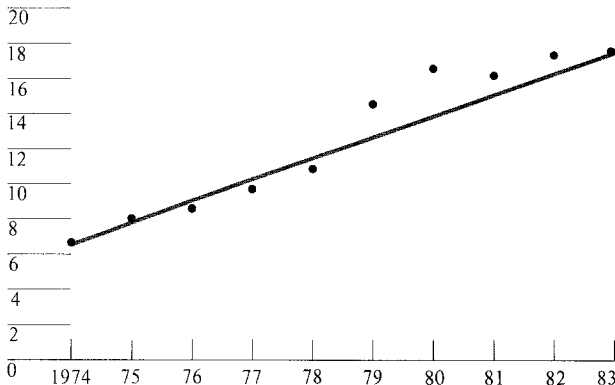
USSR: Military Deliveries to LDCs

Billion US \$



USSR: Military Advisory Personnel Present in LDCs^a

Thousand persons



^a Minimum number present for one month or more. Excludes troops.

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Moscow also encourages training in the USSR because of the favorable environment there for propagandizing frequently impressionable LDC personnel. Regardless of the military rank of the trainee, his country of origin, or the substantive content of specific courses, heavy doses of political and ideological indoctrination almost always are integral parts of Soviet instruction.

and open sources indicate that Moscow provides training at:

- *Military and higher military schools*, which offer theoretical and practical instruction, mainly for officers.
- *Academies*, which typically give advanced training.
- *Special institutes*, which ordinarily provide brief courses on specific subjects, such as weapons firing.
- *Autonomous facilities*, where LDC enlisted men are taught operational and technical subjects.
- *State manufacturing facilities*, such as tank plants.

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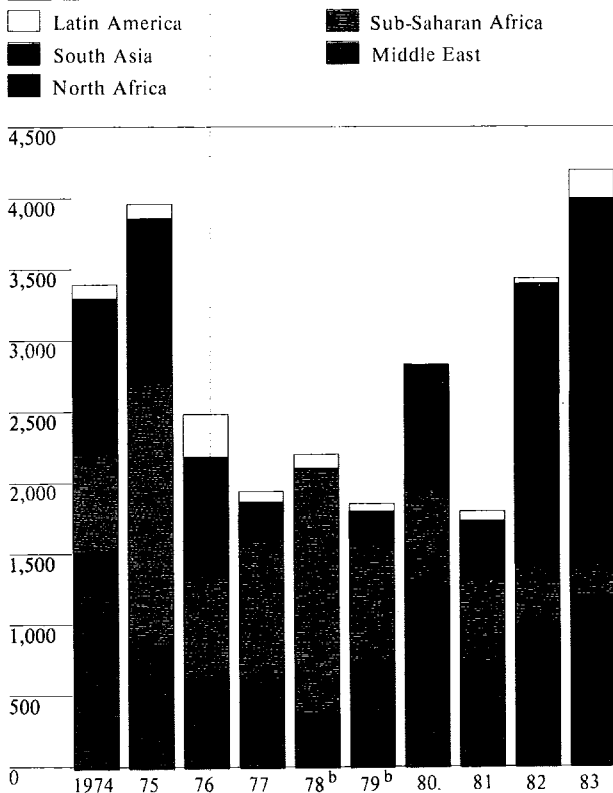
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Figure 3
USSR: Military and Related Trainees
From LDCs, 1974-83

Number of persons^a



^a Estimated number of departures. Actual departures to the USSR probably are significantly higher and more evenly distributed than depicted above; a poor data base, however, prevents better quantification.

^b Data not available for South Asia.

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Soviet policy stipulates that training be geared to the "cultural level" of students, [redacted].
 [redacted] Trainees from more advanced LDCs, such as Syria, ostensibly receive instruction similar to that provided Soviets, while Angolans, North Yemenis, and others are taught at a more basic level.

[redacted]

Surging Hard Currency Receipts
 One of Moscow's motivations for providing advisory and training assistance to LDCs is financial. Although Soviet terms remain concessional compared with those of Western suppliers, Moscow increasingly has attempted to generate hard currency earnings from the program. This policy was adopted after the 1973 Middle East war, when key Soviet clients in the Middle East and North Africa realized large increases in oil revenues. Most of the LDCs now obligated to pay for Soviet assistance are major oil producers, although Moscow sometimes demands reimbursement from less affluent clients [redacted].
 [redacted] At the same time, the Soviets have been willing to provide services on more concessional terms than previously to some clients in difficult circumstances.

[redacted]

We estimate, [redacted] that hard currency obligations of LDCs for technical services totaled over \$600 million in 1979-83—more than twice the amount during the previous five years. Some three-fourths of the 1979-83 total probably came from payments for Soviets posted to LDCs, since Moscow absorbs most of the costs of training in the USSR.

[redacted]

An Assessment: Gains Outweigh Costs
 The large-scale expansion of the Soviet advisory and training program since the mid-1970s reflects mutual, practical benefits to Moscow and its clients, although both sides have not fully realized their aims. To the extent that the expanded Soviet presence abroad and

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stepped-up training in the USSR have been at Western expense, Moscow has realized its goal of denying or reducing non-Communist initiatives. In some cases—mainly among ideologically compatible, heavily dependent clients—Moscow has been able to translate an active program into true gains in influence. Improvements in Moscow's position attributable to the training program often are manifested when pro-Soviet alumni assume positions of key responsibility in their government. Most serve in radical regimes, such as Angola, Syria, and Ethiopia. Similarly, high-ranking Soviet military advisers often are at or near the power center because the military is the leading political force of many Third World nations.

[redacted] a deterioration in Soviet relations with specific clients and the financial burden of providing support to some nonpaying LDCs could lead to selectively reduced assistance.

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[redacted]

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Although most recipients view Soviet advisory services and training as essential elements of military assistance and some have complimented Soviet efforts, Moscow has failed to realize gains in influence proportionate to growth in the Soviet program. Soviet clients, regardless of their political orientation, distrust Moscow to varying degrees, questioning its true motivations for providing assistance.

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[redacted]

On a working level, substantive deficiencies and Soviet heavyhandedness are frequent complaints.

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Soviet *Weltanschauung* historically has emphasized the long term, viewing setbacks largely as events posing future opportunities. Moscow's commitments to this perspective—manifested also in arms transfers, the main tangible determinant of the scope of the advisory and training program—presages continued growth in the program. Nevertheless, political and other constraints could slow the rate of expansion.

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[redacted]

China's Third World Military and Economic Programs: Growing Commercial Interests

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Summary

China's economic aid and military transfer programs in the Third World have changed dramatically over the past few years. In the late 1970s, Beijing began to emphasize military sales to earn hard currency and to reduce its economic aid to conserve resources for its own economic development. Since then, Beijing has reduced grant aid and emphasized commercial payoffs in almost all of its dealings with developing countries.

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The new policy represents a radical departure for Beijing in the Third World. Earlier, China had provided both economic and military aid on generous terms to poor clients who often could not afford a more costly Western presence. China never attempted to compete with other military suppliers in the quantity or sophistication of weaponry. Military agreements featured mostly small arms and, for some clients, old-model tanks and aircraft. The economic program highlighted showy projects such as the Tan-Zam Railway in Africa and sports stadiums in a number of countries.

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An Emphasis on Profits

China has achieved enviable results since it began its sales drive in LDCs just five years ago. Moving much more opportunistically to exploit market conditions in LDCs, Beijing has been able to:

- Increase its arms sales almost 10 times over those of the previous four years. Since 1980, China has signed agreements to sell \$6 billion of weapons, 95 percent of them to Egypt, Libya, Iran, Iraq, and Pakistan.
- Expand hard currency technical service contracts that provide economic technicians to LDCs for development projects. China now has nearly 30,000 technicians employed in LDCs, the highest level ever and double the number in 1980.

- Shift from the use of grant aid and interest-free loans in its economic aid programs to an emphasis on earning hard currency from harder repayment terms and some interest charges.

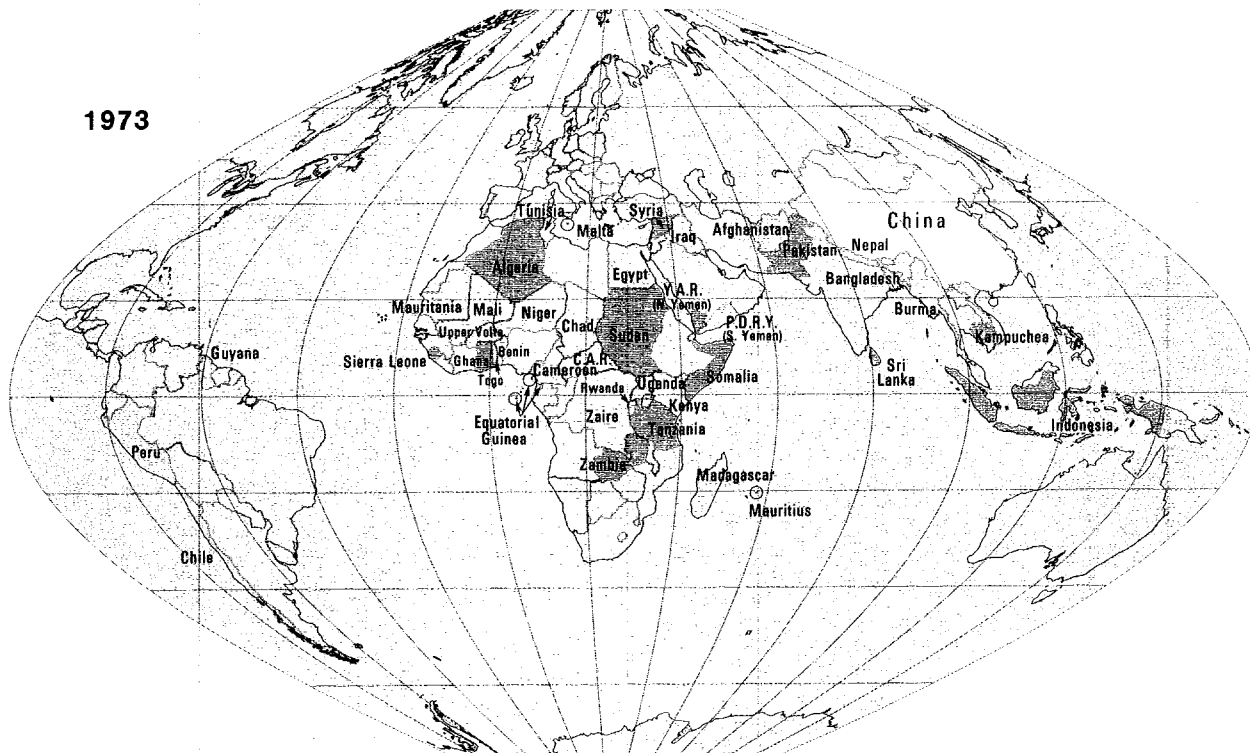
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Military Sales: A Product of the 1980s

Since Beijing began to pursue its new arms sales policy, it has sold more than \$6 billion of weapons to LDCs, a sixfold increase over all previous sales since the program began in the 1950s. Opportunities provided by the Iran-Iraq war have propelled China into second place among Communist military suppliers, ahead of all of the East European countries combined but still far behind the USSR. Beijing has picked up

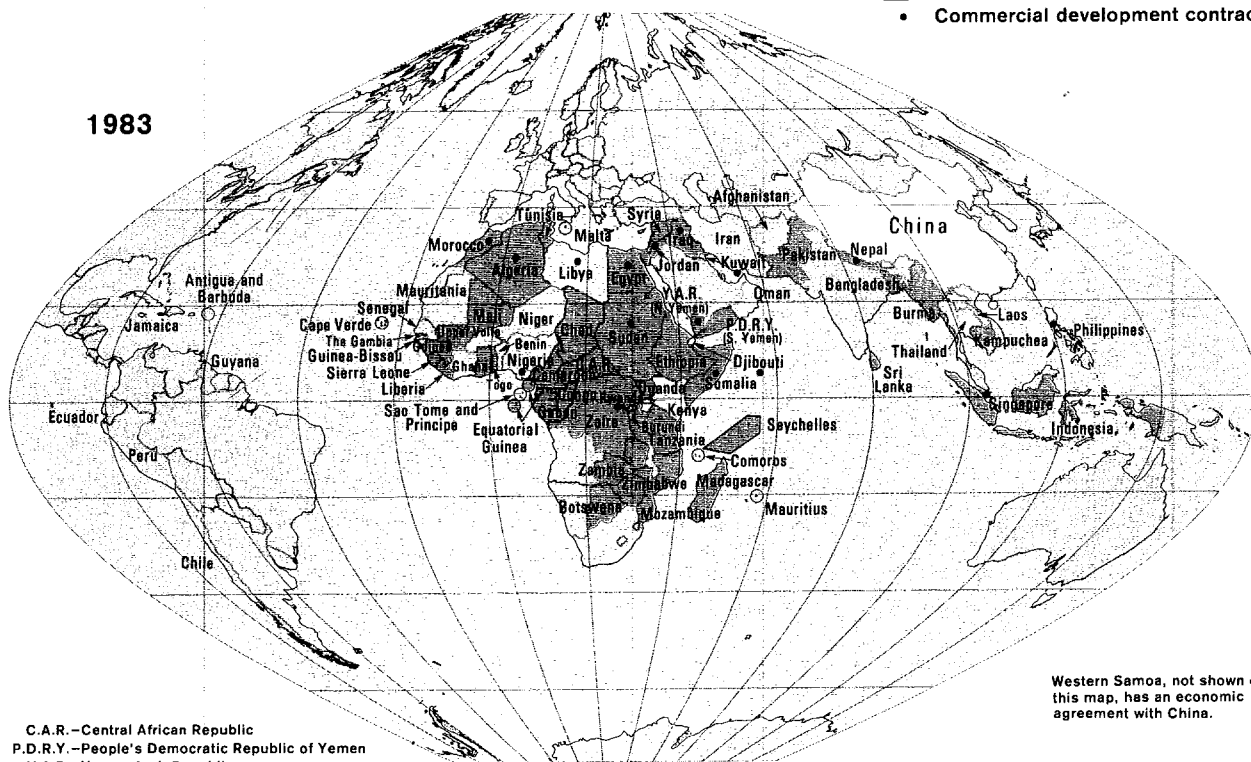
China's Expanding Relations With the Third World, 1973 and 1983

1973



- Economic agreement
- ▨ Military agreement
- ▩ Military and economic agreement
- Commercial development contract

1983



Western Samoa, not shown on this map, has an economic agreement with China.

C.A.R. - Central African Republic
 P.D.R.Y. - People's Democratic Republic of Yemen
 Y.A.R. - Yemen Arab Republic

Boundary representation is not necessarily authoritative.

Table 1 *Million US \$*
China: Military Transfers
to LDCs, by Year

	Agreements	Deliveries
Total	7,524	3,062
1958-73	516	452
1974	91	26
1975	40	101
1976	145	100
1977	74	73
1978	233	96
1979	193	100
1980	940	252
1981	2,964	437
1982	1,556	794 ^a
1983	772	631 ^a

^a Recent information places deliveries at \$1.3 billion for 1982 and \$1.4 billion for 1983.

[Redacted]

several new clients in the 1980s—including Iran, Jordan, Libya, and Liberia—bringing its customer list to 46. The new emphasis on financial returns has changed the direction of the Chinese program away from traditional Asian and African clients to wealthier Middle Eastern LDCs. [Redacted]

The Soviet Union's refusal to supply Iraq at the beginning of the Iran-Iraq war provided China with its most important breakthrough into the international arms market. Since then, Iraq (which first bought Chinese arms during the war in early 1981) has become Beijing's best customer, with more than \$3.8 billion of orders for 70 F-7 fighter aircraft, antiship missiles, machineguns, ordnance, and support equipment. A few other major clients make up 75 percent of the remaining orders:

- *Egypt* has bought more \$1 billion in Chinese arms, mostly naval equipment and jet fighters.
- *Pakistan* has signed \$1 billion in contracts for FT-6 aircraft, T-54 tanks, A-5 Fantan fighter aircraft, and other military equipment.
- *Iran* has purchased ground and air defense equipment, ammunition, and other supplies worth \$500 million.

Table 2 *Million US \$*
China: Military Agreements
With LDCs, 1980-83 ^a

	6,232
	315
	305
	10
	135
	NA
	NA
	3
	NEGL
	2
	12
	2
	7
	36
	18
	3
	2
	28
	NA
	22
	1
	NA
	1
	5,284
	887
	501
	3,826
	8
	1
	3
	57
	497
	60
	436

^a Because of rounding, components may not add.

[Redacted]

- *Libya* signed agreements worth more than \$300 million for military equipment, including anti-aircraft guns and ammunition.

These deals have included newer, more sophisticated equipment than China had traditionally been able to supply. For example, T-69 tanks were first deployed with Chinese forces in 1981, and MIG-21 jet fighters have been exported for only two years. [redacted]

Deliveries Hit Record Levels. China's drive to fill orders rapidly produced record deliveries in the 1980s. Average annual arms shipments of \$530 million to Third World clients doubled those of any previous year. Iraq has received about one-fourth of the deliveries since 1980, including China's first export of MIG-21 Fishbed fighters, substantial numbers of medium tanks, field and air defense artillery, and other military support equipment. Other major hardware transfers shipped to LDCs for the first time include:

- Tanks to Iraq.
- Jet fighters, patrol boats, submarines, and submarine chasers to Egypt.
- Fantan fighters to Pakistan. [redacted]

Basis for New Policy. Beijing's new aggressiveness in the international arms market underscores China's intent to pursue a competitive commercial arms export policy that emphasizes hard currency earnings rather than politics as the basic criterion for concluding agreements. Beijing has made administrative changes to facilitate such sales. [redacted]

[redacted]

Because sales to Iraq have become so important to China, Beijing opened its first overseas arms sales office in Jordan in May 1982 to facilitate weapons transactions with Baghdad. [redacted]

China's more hardnosed approach to arms transfers is reflected in the reduction of grant assistance that was a key feature of China's program before 1978. We estimate that \$615 million of the \$1.3 billion of

[redacted] deliveries could be substantially higher. [redacted]

Chinese military transfers to 38 clients before 1979 was provided free of charge; since then, we have documented less than \$10 million in military grants. [redacted]

Economic Relations: Competing for Commercial Development Contracts

As with the military program, China is cutting down on giveaways in its economic aid and is now emphasizing commercial returns and hard currency earnings from technical services. The economic program has evolved from a modest effort featuring liberal amounts of grant aid to a major campaign to sell technical services and equipment for profit. Beijing's current leadership is trying to push China into the world economy by introducing its most salable items—such as cheap labor—into the international marketplace. In its aid program, China is now seeking to combine enhanced hard currency earnings with benefits to LDC economies. [redacted]

On the commercial side, China is working on housing in Kuwait, a number of construction projects in Iraq, and a \$375 million railway line in Nigeria. Last year, Beijing signed a \$1.6 billion railway construction agreement with Libya and is negotiating a similar contract with Algeria. Even though they are newcomers in the international commercial contracting field, the Chinese have been named general contractor on several major projects in LDCs, where they select subcontractors (generally Western or Japanese companies) and arrange for local services. [redacted]

New Aid Hits Record Lows. Since 1980, China's new economic aid pledges have fallen dramatically, a victim of China's economic retrenchment in the post-Mao period. Only a few traditional recipients such as Nepal, Pakistan, and several African countries have received significant new commitments to carry out

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programs already in progress. Agreements in the 1980s comprise less than 15 percent of China's total economic aid since 1956 and have followed a downward trend that began in the mid-1970s. Chinese economic aid increased somewhat in 1983 over 1982; most was provided on somewhat harder terms than before—shorter repayment periods, low interest charges, and almost no grant aid. The terms of Chinese assistance still are far more generous than that of most other Communist and some Western donors. [redacted]

Technical Services: A Fast Growing Business. The provision of project personnel has become the mainstay of China's economic program in LDCs as commitments of capital to aid projects dwindle. The number of Chinese employed in the Third World in 1983 has doubled since 1980—mostly in Iraq, Jordan, and North Yemen. Beijing also is using a small technical presence to build relationships with such Soviet-oriented Marxist states as Angola and Mozambique. [redacted]

Technical services, which formerly were provided free by Beijing to almost all aid recipients, now are being promoted to earn foreign exchange. We estimate that about half of the 29,000 Chinese economic technicians employed by Third World countries in 1983 were serving under commercial contracts with the rest financed through aid agreements. [redacted]

Beginning in 1980, China moved rapidly to export some of its abundant labor on commercial terms and began to bid on construction projects in Arab oil states. To handle its new sales in the Middle East and elsewhere, China opened offices in Dubai, Iraq, Jordan, Kuwait, and North Yemen. [redacted]

[redacted] some 42 companies are involved in construction projects abroad and 40 new labor contracts were signed during the first half of 1983 alone. In 1983 China exploited another potentially lucrative source of funds for the first time by providing labor to projects financed by multilateral agencies in Morocco, Nepal, Nigeria, and Somalia. [redacted]

China has been successful in marketing services because of the reasonable salary rates for personnel—from \$2,000 per month for project managers down to \$400 a month for laborers. These charges compare with as much as \$8,000 a month for personnel from

Table 3 *Million US \$*
China: Economic Aid to LDCs, by Year

	Agreements	Deliveries
Total ^a	5,921	3,991
1956-73	3,643	1,364
1974	282	277
1975	410	208
1976	196	355
1977	210	277
1978	219	292
1979	177	226
1980	402	228
1981	112	244
1982	41	271
1983	231	249

^a Because of rounding, components may not add to totals shown.

[redacted]

other Communist countries. Another selling point is the industriousness of Chinese personnel and their ability to endure difficult working conditions that would not be tolerated by skilled workers from other countries. [redacted]

China still is providing a substantial number of technicians to LDCs under aid agreements. Most of the technicians that China provides free of charge are delivering basic services in public health and education. We estimate that 1,200 doctors and at least 500 teachers from China worked in the Third World (mainly Africa) in 1983. [redacted]

[redacted] most technicians and laborers under this program cost the LDCs only about \$100 to \$300 monthly for local subsistence. [redacted]

Prospects Are Mixed

China's new approach in its economic aid and military transfer programs in the Third World will provide Beijing with a number of opportunities to expand its

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influence in the LDCs and strengthen its own domestic economy. We expect China to continue its opportunistic approach to arms sales, moving in where a client with a large Soviet inventory—as Iraq—is denied resupply in a crisis because of political reasons.

It may be difficult for Beijing to maintain its current level of military sales once the Iran-Iraq conflict is resolved. Sales to these two countries amount to 55 percent of Chinese overall sales, and 70 percent of the new sales in the 1980s. Other limiting factors include:

- Increasing competition among global arms suppliers.
- The accelerated pace of Western arms technology.
- The demand for more sophisticated arms by LDC clients.

Orders will continue, however, to stem largely from traditional clients such as Pakistan and Sri Lanka. Beijing will also serve smaller clients, such as Sub-Saharan African buyers that depend on Beijing for small arms and more basic military equipment. Even if military sales levels decline, we foresee an active military presence for China in the Third World through the end of the decade because military deliveries will be sustained at an unusually high rate under several billion dollars of contracts still outstanding.

In the future, we believe that China will emphasize the export of basic military equipment, spare parts—especially for Soviet equipment—and support facilities. This is the type of military export commitment that can be readily met by China's defense industries. China probably will be able to increase sales to countries like Egypt and Somalia, which receive Arab funds to maintain their Soviet-built military establishments. China is a far more desirable supplier than the USSR from the point of view of the conservative Arab states.

We also believe that China will move aggressively to market the few competitive weapon systems that it produces, such as its MIG-21 fighter and improved medium tanks. Weapons like these will appeal to a wider group of customers and result in a more stable and predictable flow of orders.

On the economic side, many of China's new ventures in LDCs are commercially oriented and provide the opportunity for hard currency earnings. The Chinese now are focusing on contracts with Middle Eastern countries—Algeria, Libya, Iraq, and Kuwait—that can pay hard currency for Chinese services. Prospects for marketing civilian technical services appear almost unlimited because of the low salary rates charged and China's reputation for quality work. We believe that economic and technical exchanges will continue to be the mainstay of China's program through the end of the century.

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International Narcotics

Heroin Trafficking: The Syrian Connection []

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Summary

Syria is a major transit point for the receipt and shipment of illicit narcotics—opium, morphine, and heroin—from Southwest Asia, through the Middle East and Turkey to Europe. The Syrian Government officially frowns on drug activity, but heroin trafficking is now flourishing, primarily due to Syria's location astride traditional Middle East smuggling and trade routes, porous borders, and merchants with commercial and family links to neighboring countries. Moreover, apparent government indifference and military corruption have created an environment favorable to narcotics traffickers. We believe Syrian involvement in narcotics trafficking will grow over the next few years as Southwest Asian opium production increases and as Syrian traffickers refine and improve their distribution networks. []

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Narcotics Processing and Trafficking: Dimensions of the Problem

Evidence is mounting that Syria is becoming a major—if not the foremost—opiate trafficking and processing country in the Middle East. Morphine and heroin processing laboratories are reported to be operating in the northwest coastal region of Syria, and all modes of transportation are being used to move opiates abroad. According to official Syrian statistics, narcotics-related arrests and drug seizures by Syrian law enforcement officials are rising rapidly, despite the absence of a vigorous antinarcotics program. Official Syrian statistics also reflect that the quantities of opium, morphine, and heroin seized increased by more than 400 percent from 1981 to 1983. In 1983 Syrian officials investigated nearly 350 drug cases—an increase of nearly 50 percent from 1981—and arrested nearly 800 persons—an increase of nearly 30 percent.¹ []

Syria's rise to prominence as a transit point for narcotics can be attributed to less favorable trafficking conditions in other countries in the turbulent Middle East. The Turkish antinarcotics campaign has resulted in stepped-up enforcement; the civil war in Lebanon has hampered smuggling; and the fanatical policing and interdiction efforts of the Iranian clerics have threatened drug smugglers with death. []

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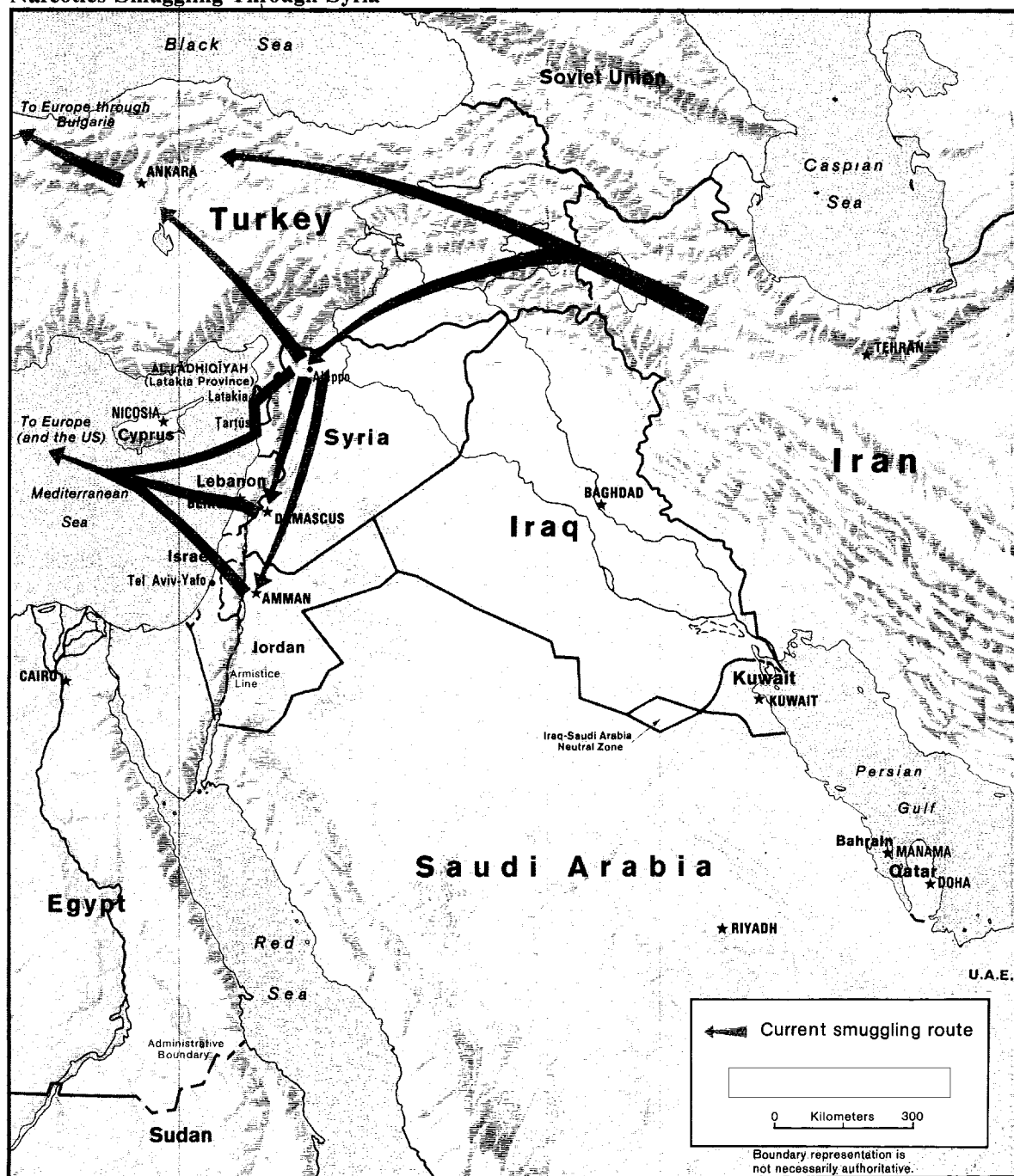
Syria, in contrast, offers both a government uninterested in the narcotics problem and favorable locations for refining and trafficking (see map). The northwest coastal region, bordered by the Mediterranean Sea and the mountains of Turkey, affords suitable terrain along with a cadre of influential individuals willing to ignore illicit activity. Latakia Province in particular is mountainous and crisscrossed by trails, making it easy to establish and operate a secret refinery. According to State reporting, the region is a stronghold for

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¹ Syria has a long history of smalltime illicit narcotics trafficking. There is no significant poppy cultivation, however, and societal constraints have restricted drug use to lower-class and rural workers, military people based in Lebanon, and Syria's tiny "entertainment" community. []

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Narcotics Smuggling Through Syria



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central authorities, and the dominant inhabitants are members of President Hafiz al-Assad's Alawite minority sect. With Alawites holding most key positions in the government and providing a disproportionate number of Army officers, we believe corruption buys the most influential connections. [redacted]

Aleppo, a dynamic commercial and industrial city in northwest Syria, is reported to be the major center of heroin trafficking between producing areas in Southwest Asia and consuming countries in Europe. US Embassy sources reported Syrian heroin laboratories in Aleppo in 1980. The city also has available both ample manufacturing and warehouse space to conceal refinery operations and plentiful supplies of acetic anhydride and other essential chemicals, according to State reporting. Moreover, Aleppo merchants have long-established commercial ties with Lebanon and Turkey. Many of these merchants are Kurds with family ties in Turkey or Iran, or Armenians with connections in Turkey, the Middle East, Europe, or the United States. The Kurdish and Armenian communities also offer a bridge to a number of active underground organizations. [redacted]

Syrian traffickers rely on numerous routes to acquire heroin and move it into the world market. Opium or heroin arrives in Syria via traditional smuggling routes through Turkey, Iran, Afghanistan, and Pakistan. From Aleppo, the drugs move overland into Turkey or on to Latakia, Tartus, Damascus, or Amman, Jordan. According to DEA sources, the Syrian ports of Latakia and Tartus are the embarkation points for large shipments, while the Damascus and Amman airports are used by couriers trafficking in smaller amounts of heroin. The drugs apparently are carried through a number of countries—Lebanon, Cyprus, Turkey, Greece, Bulgaria, and Yugoslavia among others—before arriving in Western markets. [redacted]

The illicit drugs appear to be destined primarily for distribution centers in Western Europe—Switzerland, Belgium, and the Netherlands—and to a lesser extent in the United States. Recently, there has been some indication that Spain and Germany are developing into distribution centers. [redacted]

[redacted] DEA sources also report direct heroin trafficking by Syrians to West European and American markets. The wider distribution network is facilitating a greater and more constant flow of heroin while at the same time making interdiction more difficult for European law enforcement officials. This increased activity is reflected in the rising number of arrests of Syrian nationals in West European countries. [redacted]

Government Tolerance

The Syrian Government apparently lacks both the resources and the will to control the trafficking problem. The increased level of defense spending and military mobilization for Lebanon have undoubtedly limited the resources available for customs and anti-narcotics police. Neither the Antinarcotics Section of the Damascus Northern Division Police nor the Syrian Customs have adequate narcotics training programs, and poor coordination between the two agencies often thwarts interdiction efforts. The Syrian Government also lacks a commitment to drug control. Though Damascus is a signatory to several international narcotics agreements, drug regulations are rarely enforced. In July 1983 Pan Arab Narcotics Bureau Director Gharaibeh protested the lack of Syrian efforts to control the trafficking of heroin to Europe and the United States. [redacted]

Political, military, and religious tensions in the Middle East are clearly diverting Syria's attention from narcotics control, but evidence is accumulating that both local officials and higher level government authorities are beginning to view trafficking as a source of foreign exchange and local currency. Embassy reporting indicates that there is at least some cooperation between border guards or Customs officials and heroin traffickers. Local authorities ignore drug transactions, and it is commonly accepted that Syrian gold merchants trade gold for raw opium. [redacted]

² Syria is a signatory to the 1961 Single Convention on Narcotic Drugs, the 1972 Protocol amending the 1961 Single Convention, the 1971 Convention on Psychotropic Substances, and the Arab League Protocol on Narcotics. [redacted]

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near the Syrian frontier in Turkey, selling heroin to buy weapons for an Iranian underground group. Moreover, European authorities have arrested several terrorists carrying both Syrian passports and narcotics. [Redacted]

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Military Corruption

We believe that the current level of narcotics processing and trafficking could not be accomplished without the involvement of the military because of its special status in the Syrian Government and its dominant role in Lebanon, a major transshipment point for Syrian drugs. One indication of military involvement is that, contrary to the situation in most countries troubled by trafficking, narcotics smuggling actually flourishes in areas of Syria least hostile to the central authorities and the military. Although these allegations have not been fully corroborated, evidence is accumulating that members of Syria's military are reaping rewards from drug dealing.

Outlook

The "Syrian Connection" is likely to become a growing problem for European and US authorities over the next few years. [Redacted]

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State, and DEA sources that significant quantities of Southwest Asian opium are being smuggled into Syria. We believe that production from this area is on the rise, and that Syrian traffickers will get their share of this opium. Government indifference and military corruption and the enormous profits to be earned are additional factors that will likely motivate Syrians to attempt to increase their refining and distributing activities. This effort will be facilitated by the large number of Syrians living in Europe and the United States who provide an in-place network of potential couriers and distributors. Continued reliance on large numbers of couriers and direct contact with dealers throughout Europe and the United States will also make it more difficult to interdict large quantities of Syrian heroin. [Redacted]

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Terrorist and Insurgent Involvement

[Redacted] individuals associated with insurgents and terrorists are involved in the narcotics trade. We also believe that terrorist operatives have little to risk by trafficking in heroin within Syria. Numerous insurgent and terrorist groups operate from camps in Latakia Province and the Syrian-controlled Bekaa Valley of Lebanon, both known centers of smuggling and trafficking activity.

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[Redacted] Turkish diplomatic sources believe that Syrian-based groups such as the Armenian Secret Army for the Liberation of Armenia, the Kurdish Democratic Party, and the Patriotic Union of Kurdistan may be trading drugs for guns. According to the Turkish press, an Iranian Kurd was arrested

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Jamaica: Drug Trafficking Increases as Enforcement Falts [redacted]

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Summary

Jamaican marijuana traffickers are apparently increasing marijuana exports from the island. We estimate an increase over the 1,750 tons exported last year. The use of larger vessels and planes may be responsible for the increase. Prime Minister Seaga faces a difficult reelection next year and is unwilling to alienate marijuana growers—a potentially significant constituency—by pursuing effective drug enforcement. The manual eradication program, now three years old, has made little progress in reducing marijuana cultivation and stands almost no chance of significantly affecting rising exports. [redacted]

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Increased Marijuana Trafficking

Increasingly sophisticated drug smuggling techniques allowed Jamaican traffickers to ship larger amounts of marijuana—some 1,750 tons according to the Drug Enforcement Administration—to the United States during 1983. Jamaican farmers probably were encouraged by the trafficker's successes last year, and we believe that marijuana exports will continue at least at current and possibly higher levels in 1984. [redacted]

Last year, Jamaican drug runners apparently expanded their trafficking by flying larger quantities of marijuana aboard bigger aircraft. [redacted]

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[redacted] seven new unregistered airfields have been built since October 1982. One of these strips is at least 60 meters longer than the average unlicensed airfield. Additionally, [redacted]

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[redacted] the Salt Island runway was recently lengthened to 1,450 meters and is now the longest unregistered airfield in Jamaica. Runways of this length could accommodate large aircraft, which could carry more than 4 tons of marijuana a flight. [redacted]

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According to the DEA, smuggling by private airplane accounted for as much as 75 percent of the marijuana leaving Jamaica during the last three years. [redacted]

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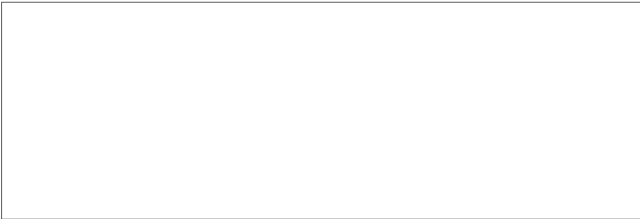
[redacted]

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The delay in ratification initially did not deter the Jamaican Defense Force from destroying 16 unregistered airstrips during December 1983 and January 1984, but it became clear that traffickers could repair the airfields as fast as the Army could destroy them.

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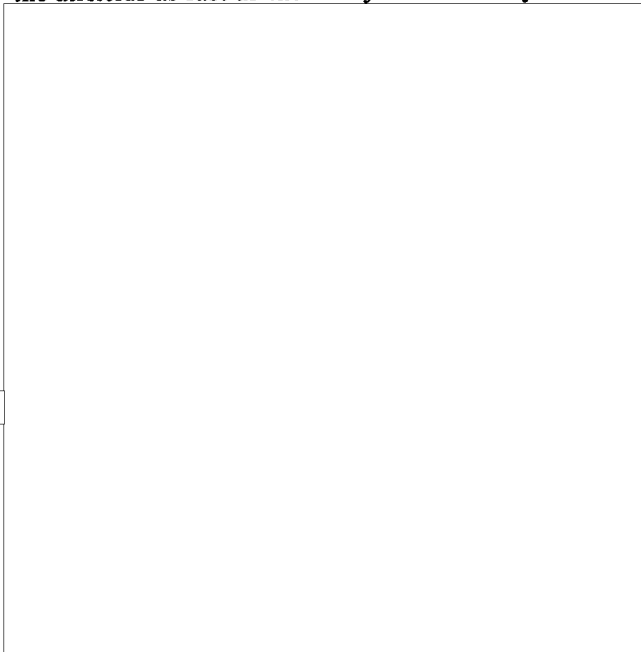
Smuggling marijuana by boat, once a minor trafficking method, also increased during 1983. DEA investigations show that prior to 1982, Jamaican traffickers transported less than 250 tons of marijuana a year using small pleasure craft. By the beginning of 1983, traffickers had begun to use larger "motherships" to smuggle Jamaican marijuana. For example, in February 1983 the US Coast Guard boarded a commercial vessel near The Bahamas and found about 15 tons of Jamaican marijuana—more than 11 times the average maritime shipment of Jamaican cannabis.

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Drug Control Flounders

Prime Minister Seaga initiated new antidrug smuggling programs in late 1983 in response to US pressure to stem rising marijuana production. We believe that Seaga's actions are motivated by his interest in obtaining the multimillion dollar loans under the Caribbean Basin Initiative and from the International Monetary Fund. During a meeting with Vice President Bush in October 1983 to discuss solutions to current Jamaican economic problems, Seaga was careful to specifically detail his plans for narcotics control on the Island. Rather than attempt to eradicate all marijuana cultivation—a move which would alienate large portions of his electoral constituency—Seaga told Bush that he intended to disrupt illicit drug transportation.

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Additional Impediments to Interdiction

With the destruction of unregistered airfields stalled, Seaga focused on the difficult task of eradicating marijuana by hand. According to DEA and Embassy reports, Jamaica's manual eradication program destroyed less than 15 percent of the more than 1,800 hectares of marijuana estimated by the US Embassy to be under cultivation last year. We believe that several factors will limit the effectiveness of a manual eradication program:

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Legislation to allow Jamaican police and defense forces to destroy unregistered airfields and seize private property associated with drug trafficking was introduced into Parliament by Seaga just before his meeting with Bush. That legislation quickly came under critical attack and has not yet been enacted. The legislation is presently under review by a constitutional committee—a third of whose members have been reported by US Embassy sources as having marijuana trafficking connections. If the bill returns to the Parliament before the end of the year, we believe it will be severely weakened and ineffective.

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- Seaga's concern over declining public support and his tenuous political position prior to elections scheduled for mid-1985 may lead him to reconsider his pledges to stop illegal marijuana smuggling. The Embassy reports that the public remains largely apathetic toward marijuana control, although recent drug-related violence has heightened awareness of the problem. Marijuana use is tolerated at most

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levels of Jamaican society and is used during religious ceremonies by the large and influential Ethiopian Zion Coptic Church. According to the Embassy, most Jamaicans believe that drug exports generate much needed revenue for poorer workers and there is widespread support for legalizing marijuana.

- Chronic corruption throughout Jamaica's law enforcement structure also has inhibited Seaga's drug control efforts. A US Embassy source [redacted] [redacted] implicated the Jamaican Constabulary Force—Jamaica's national police—in marijuana smuggling operations and in systematic thefts of confiscated drugs. Moreover, the Embassy has reported corruption within the comparatively reputable Jamaican Defense Force.
- Jamaican marijuana traffickers have intimidated Kingston into restricting marijuana eradication programs. Embassy sources report that after the government destroyed a small marijuana field on private property in November 1982, traffickers burned 20 hectares of sugarcane as a threat to disrupt the island's sugar production. We believe that Seaga took the warning and, according to the Embassy, has restricted marijuana eradication to public lands.
- Marijuana traffickers also have expanded their influence in marijuana cultivation areas. US Embassy officials report that wealthy traffickers often build roads and contribute to local construction when government money is unavailable. By donating to community development, traffickers have increased local Jamaican recalcitrance to the government's marijuana destruction campaign. [redacted]

marijuana by hand is very labor intensive, and we believe Kingston cannot afford the resources necessary to sustain an effective eradication campaign. Finally, Seaga faces severe national economic problems and a questionable political future. He may be leery of pursuing an effective antidrug program, which would alienate well-organized marijuana traffickers who, in turn, could influence large segments of rural voters during next year's elections. [redacted]

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Outlook

In our judgment, Jamaican marijuana production and smuggling to the United States will continue to increase for the next several years. Even in the unlikely event that strong legislation authorizing airfield destruction is passed, the military does not have enough manpower to effectively destroy all the unlicensed airstrips. Seaga's alternative, the manual marijuana eradication program, has been under way for at least three years with little success. Eliminating

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