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NATIONAL INTELLIGENCE ANALYTICAL MEMORANDUM

Sino-Soviet Activities in the Southwest Pacific

RECEIVED
Deputy Director for Research
Bureau of Intelligence and Research

JUL 30 1976

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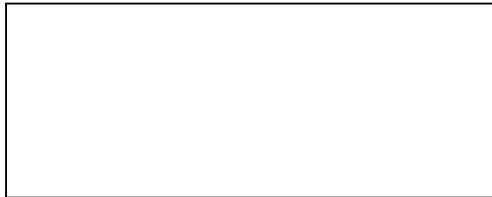
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NIAM 40/11/13-1-76
July 1976

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THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS, EXCEPT AS NOTED IN THE TEXT, AS FOLLOWS:

The following intelligence organizations participated in the preparation of the memorandum:

The Central Intelligence Agency, the intelligence organizations of the Departments of State and Defense, and the National Security Agency.

CONCURRING:

The Deputy to the Director of Central Intelligence for the Intelligence Community, Vice Chairman
The Deputy Director of Central Intelligence representing the Central Intelligence Agency
The Director of Intelligence and Research representing the Department of State
The Director, Defense Intelligence Agency
The Director, National Security Agency
The Deputy Assistant Administrator for National Security, Energy Research and Development Administration

ABSTAINING:

The Special Assistant to the Secretary for National Security, Department of the Treasury
The Assistant Director, Federal Bureau of Investigation

ALSO PARTICIPATING:

The Assistant Chief of Staff for Intelligence, Department of the Army
The Director of Naval Intelligence, Department of the Navy
The Assistant Chief of Staff, Intelligence, Department of the Air Force

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28 July 1976

SUBJECT: NIAM 40/11/13-1-76: Sino-Soviet Activities in
the Southwest Pacific

SCOPE NOTE

This memorandum deals only with the small islands of the Southwest Pacific and the waters surrounding them. (See Map)

KEY JUDGMENTS

- We do not think that recently-noted Chinese and Soviet activities in the small island states of the Southwest Pacific are a portent of a significantly increased presence there. Nevertheless the interest in the area of both countries can be expected to continue as additional island dependencies achieve nationhood over the next several years.
- Recently increased activity is small scale and consistent with the desire of both countries to expand their world-wide presence and influence by traditional means of diplomatic relations, trade, and aid.
- The USSR has a strong interest in expanding fishing operations wherever it can. We believe this

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would be a major motivating factor of any further increase in Soviet activity in the area.

- The USSR has not shown a naval interest in the area. To be sure, there is a long-range Soviet interest in US lines of communication with its allies, including Australia and New Zealand. But we do not anticipate that this interest will lead the USSR to increase its naval presence in the Southwest Pacific in the near future.

- In this area, as in others, Moscow-Peking rivalry is an element in stimulating the interest of both. Peking's concerns are particularly heightened by its broader anxieties over growing Soviet naval strength in the Pacific. Peking's rivalry with Taiwan also stimulates its interest in diplomatic relations.

- The small island states have been extremely cautious in their dealings with Moscow and Peking and are likely to remain so.

- 2 -

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DISCUSSION

1. Three recent events in the Southwest Pacific -- the establishment by the PRC of the first resident Communist embassy in the island states, a widely-reported Soviet aid offer to Tonga, and the appearance of two Chinese oceanographic vessels near Fiji -- have raised questions concerning the nature and extent of Soviet and Chinese interest in the area.

2. This interest has developed slowly and remains limited. Although two of the five island states became independent in the 1960s -- Western Samoa in 1962 and Nauru in 1968 -- the Soviets did not become active in the area until 1970. In that year, they began to engage in fisheries research in Southwest Pacific waters. They also showed some interest in diplomatic relations with Fiji which, like Tonga, had become independent in 1970. The PRC was slower in showing an interest and, until recently, has been less active even than the USSR. The interest of both countries in the area can be expected to continue as additional island dependencies achieve nationhood over the next several years.

The USSR

3. In the last two years, the Soviet Union has established diplomatic relations with Fiji, Papua New Guinea (which became independent in 1975), Tonga, and Western Samoa. There is no resident Soviet mission in any of the island countries. Moscow has expressed no interest in having one anywhere except in Papua New Guinea, the largest of the island states and the only one with rich mineral resources and significant economic development potential. (See Table, "Status of Independent South Pacific Island Nations Relations with USSR, PRC, and Taiwan.")

4. Soviet fisheries research in the area was followed in 1972 by commercial fishing. Both fishing and shipping activity remains very limited. Soviet merchant ships made 22 visits to island country ports

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in 1974, and 20 in 1975. In 1974, 14 of the 22 calls were to Fiji, 6 to Papua New Guinea and 1 each to New Caledonia and Truk. In 1975, 11 Soviet vessels called at Papua New Guinea, and 9 at Fiji.

5. The Russians have good reason for interest in expanded fisheries operations. Fish already provides some 15 percent of all protein in the Soviet diet. The government's targeted increase to 18 percent by 1980 has assumed greater importance as fluctuating grain harvests in the USSR have hindered Soviet efforts to produce more meat. Pressure on traditional fishing grounds in the northern oceans is severe, however, and the proposed introduction of the 200-mile economic zone threatens Soviet ability to fish in some rich areas. Although the Southwest Pacific does not rank among the world's rich fishing areas, it has been relatively unexploited. Accordingly, as the opportunity presents itself, the USSR, as it has elsewhere in the Pacific, may attempt to form joint venture agencies to service its vessels or to engage in ocean fishing. It may also seek access to bunkering facilities.

6. Moscow's efforts to obtain such facilities in New Zealand and Indonesia, off whose coasts it operates small fishing fleets, have been unsuccessful; it may be looking for better prospects among the small island states. The mid-April offer to Tonga reportedly involved the exchange of Soviet assistance for, among other things, facilities for Soviet fishing vessels and participation in a fish processing venture. However, there is no current Soviet fishing activity in the Tongan area.

7. While fishing concerns may be important in stimulating Soviet interest in the area, it is also possible that the Soviet aid offer to Tonga was nothing more than the standard pitch the Soviets use when seeking to establish diplomatic relations with any Third World country. The Soviets took a similar tack when trying to establish diplomatic relations with Fiji, Papua New Guinea, and Western Samoa. Moscow has had diplomatic relations with Fiji since January 1974, but no aid agreements have been concluded.

- 4 -

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8. The USSR has not shown a naval interest in the area. Soviet combatants (surface ships and submarines) do not operate there. Soviet intelligence collection ships (AGIs) operate consistently off Guam and occasionally in the vicinity of the Marshall Islands to the north. Soviet AGIs also monitor French nuclear tests. Soviet hydrographic ships rarely operate in the area; when they do, it is normally for port calls (Fiji) while transiting the area. The USSR, to be sure, has a long-range interest in US lines of communication with its allies, including Australia and New Zealand. But we do not anticipate that this interest will lead it to increase its naval presence in the Southwest Pacific in the immediate future.

9. In reacting to the incorporation of the Marianas, the USSR has expressed suspicions that the US intends eventually to use these islands for military purposes. These statements seem immediately intended to take advantage of Trusteeship Council debates to attack American "colonialism." However, they also reflect longer-term suspicions of US intentions.

The PRC

10. The presence of local Chinese communities, largely oriented toward Taiwan, and trade ties with the latter have tended to slow the development of the islands' relations with China somewhat. This seems to be particularly the case with Papua New Guinea. Nevertheless, it is moving steadily toward relations with Peking (to which it sells copper concentrate). Two states have opted for Taiwan -- Tonga (1972) and Nauru (1975). During the last year Western Samoa and Fiji have established relations with Peking. The PRC mission in Fiji -- Peking's major trading partner among the island states -- is the only resident Communist diplomatic mission in the area although there are reports that Peking will soon open an embassy in Western Samoa. Fiji intends to maintain trade relations with Taiwan despite its new PRC ties.

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11. In April and May, two PRC oceanographic vessels made an unprecedented cruise to the Southwest Pacific, near Fiji. In addition to their hydrographic surveys, they were also conducting long-distance communications tests. The PRC may also have been scouting future long-range missile-impact sites. There is no record of PRC calls to ports in the area in 1974 and 1975.

12. The PRC is deeply concerned about Soviet naval power in the Pacific, an area in which the Chinese believe the Soviets are attempting to expand their sphere of influence and, in conjunction with their Indian Ocean activity, establish themselves in a position where they can cut hostile lines of communication. In the Southwest Pacific the PRC favors closer relations between the ASEAN group and the small island states, which Peking hopes will also maintain their close ties with Australia and New Zealand.

The Perspectives of the New States

13. As the island territories achieve independence they are looking for help to shore up and develop their marginal economies and, therefore, will be interested in anything the Soviets and Chinese have to offer. Some of them, in addition, have already begun to use the possibility of heightened Communist interest as leverage to win more aid from Australia, New Zealand, and Great Britain. They are all keenly aware, however, of their own small size and inexperience and are generally cautious in responding to overtures from the two Communist powers.

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STATUS OF INDEPENDENT SOUTH PACIFIC ISLAND NATIONS
RELATIONS WITH USSR, PRC, AND TAIWAN

South Pacific
Island Nation

Fiji

USSR

Diplomatic relations established 1/74; Soviet Ambassador to Australia accredited to Suva.

PRC

Diplomatic relations established 11/75; Resident mission established in Suva 4/76, the only resident communist mission in South Pacific Islands area.

Taiwan

Broke consular relations with Taiwan when diplomatic relations with PRC established, but trade relations continue through Taiwan's "East Asia Trading Center" in Suva.

Western Samoa

Diplomatic relations established 7/76.

Diplomatic relations established 11/75; Resident embassy possible.

Papua New Guinea

Diplomatic relations established 5/76; Soviet Ambassador will be non-resident.

Diplomatic relations expected shortly; Port Moresby wishes non-resident ambassador.

Trade relations expected to continue after diplomatic relations are established between PNG and PRC.

Tonga

Diplomatic relations established 10/75; Soviet Ambassador to New Zealand accredited to Tonga.

Diplomatic relations established in 1972, opened mission in Tonga 6/75 with resident Charge.

Nauru

Diplomatic relations established in 1975; opened Consulate in Taipei mid-1975.

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