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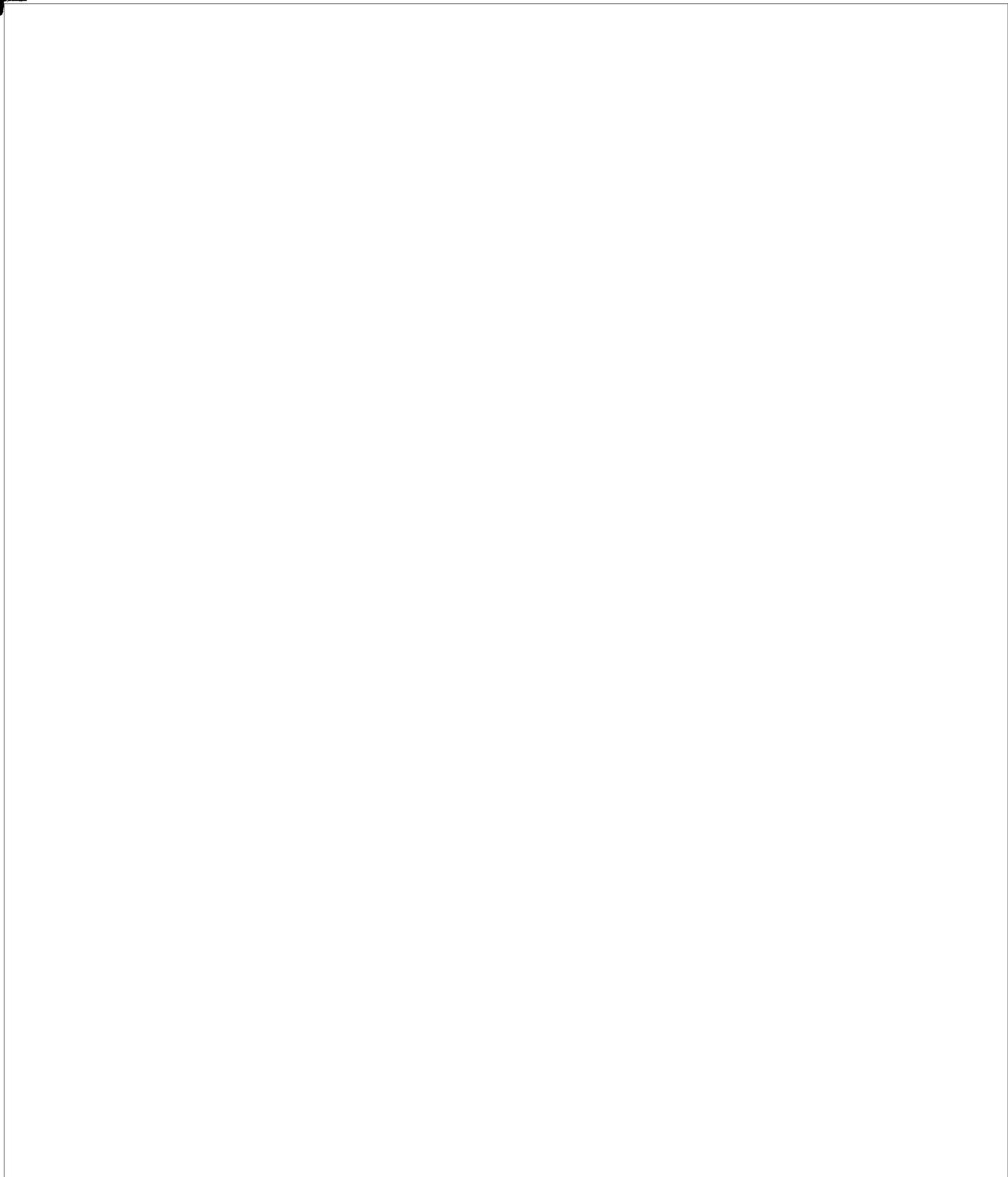
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USSR: Military at Odds Over Yel'tsin

The Ministry of Defense's newspaper, *Krasnaya zvezda* (*Red Star*), blasted Russian Republic Chairman Yel'tsin on Monday for promoting a confrontation with President Gorbachev while the Soviet President was on a state visit to the US and for advocating policies that would break the country into "little islands." The newspaper's view on Yel'tsin echoes criticism Gorbachev expressed last week when he accused Yel'tsin of wanting to destabilize the union.

[redacted] most of the midlevel military officers serving as deputies in the Russian Republic's legislature supported Yel'tsin's candidacy for chairman, while senior officers opposed it. Yel'tsin has expressed support for a volunteer army made up of locally recruited militia, an idea strongly opposed by the high command.

The newspaper's criticism almost certainly reflects the views of senior military officers who remain wary of Yel'tsin despite his recent efforts to back away from his earlier support for a volunteer army. In contrast, lower-level officers share Yel'tsin's interest in further military reform. The rift between senior- and lower-level officers over Yel'tsin mirrors growing polarization in the officer corps on broader political issues.

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USSR:

Defense Minister Yazov Promotes Military Reform

Marshal Yazov's proposed package of long-term military reforms is probably intended to give the Soviet armed forces greater control over what they now see as an unavoidable process.

In an article yesterday in *Krasnaya zvezda*, Yazov reversed his opposition to far-reaching military reform and outlined an ambitious 10-year program that he described as the most thoroughgoing in Soviet history. The plan calls for the transfer of civil defense and military construction troops from the Ministry of Defense, a 30-percent cut in the general officer corps, and a reduction of 30 to 40 percent in officer training schools and military training departments.

Yazov also reported that by next year the Defense Ministry would begin to study the transformation of the armed services into a professional force by testing the feasibility of long-term contracts for enlisted specialists. He stressed that for the foreseeable future, however, conscription must continue and that alternative service for conscientious objectors can be allowed in the civil defense units only after they are withdrawn from the Ministry. He rejected the concept of separate republic armies, noting that ethnic units could not guarantee Soviet security.

Comment: Yazov's program apparently recognizes that he cannot stave off significant reform of the armed forces. Although President Gorbachev has recently been paying more attention to military concerns, he has not backed off demands for far-reaching military reform. Yazov's proposals are an effort to take the initiative in shaping a plan more palatable to the military than the Supreme Soviet's radical proposal for a smaller all-volunteer army and a civilian defense chief. By lengthening the time frame for reform to 10 years from the three to five proposed by the Supreme Soviet, Yazov has given the armed forces greater control over military *perestroika*.

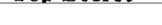
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~~Top Secret~~**South Korea****Roh Tae Woo: Gaining Confidence**

President Roh, criticized in the past for a weak leadership style, has become increasingly assertive:

- He initiated behind-the-scenes action to set up the summit with President Gorbachev on Monday, according to South Korean press reports. He has outmaneuvered his North Korean adversaries by improving relations with most of the Communist world.
- He recently has taken a hard line on student demonstrations and labor unrest. Although he wants to avoid his predecessors' harsh authoritarianism, he has not hesitated to crack down on violent protesters.
- He took personal responsibility for the economy when it appeared to be in deep trouble. He shook up his economic team this spring and created a task force to find ways to reduce real estate speculation.

Roh, who served as de facto leader of the Democratic Liberal Party after it was formed in February, was formally confirmed as party president last month.

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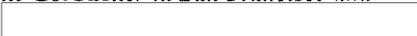


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SOUTH KOREA: Roh's Fortunes Looking Up

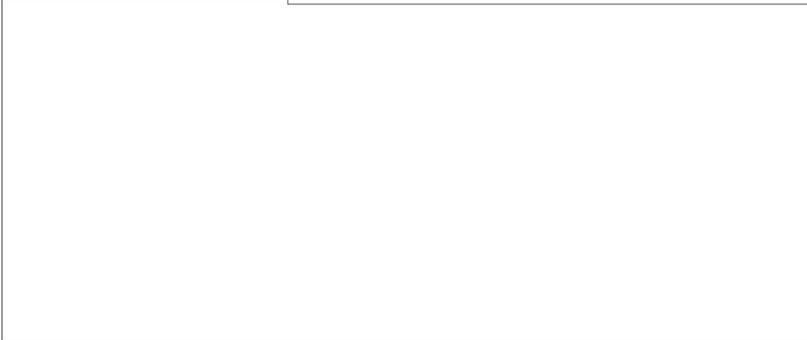
President Roh Tae Woo arrives in Washington today, buoyed by his meeting on Monday with President Gorbachev in San Francisco and an improving domestic situation.



Roh undoubtedly will discuss his apparent agreement with Gorbachev to establish diplomatic relations at an unspecified date and prospects for greater Soviet-South Korean economic cooperation.



Comment: Only five weeks ago, Roh—beset by student and labor unrest, ruling-party infighting, and concern about the economy—postponed his trip to Washington as his approval rating dropped below 10 percent. Since then, his fortunes have improved. Late last month he visited Tokyo, where he secured an apology for Japan's occupation of the peninsula during 1910-45. Last week, the Bank of Korea announced that the economy grew 10.3 percent in the first quarter, far exceeding earlier predictions; the growth almost certainly will quash widespread talk of an economic crisis. Student and labor unrest has declined significantly. Even the faction-ridden ruling party has shown greater unity;



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USSR:

Withdrawing Nuclear Weapons From Eastern Europe

Moscow is taking advantage of scheduled force reductions from Eastern Europe to gain support for talks on short-range nuclear forces later this year and to advance its political agenda in Europe.

At the CSCE Human Rights Conference that opened yesterday in Copenhagen, Foreign Minister Shevardnadze announced the USSR hopes to stimulate early SNF talks by removing from Central Europe 60 nuclear missile launchers, more than 250 nuclear artillery pieces, and 1,500 nuclear munitions. He added that 140 launchers and 3,200 nuclear artillery pieces would be "reduced" from an undefined area by 1991.

Comment: The Soviets undoubtedly are removing nuclear weapons from Eastern Europe. Shevardnadze's reference to planned reductions in Central Europe almost certainly includes nuclear missiles and artillery systems already withdrawn from Hungary and Czechoslovakia. The announced cut in nuclear munitions probably would reduce Soviet nuclear warheads, bombs, and projectiles in Eastern Europe by more than half. The larger numbers Shevardnadze mentioned for 1991 may also include weapons in the western USSR.

In addition to underlining that Moscow views recent US SNF initiatives as complementary to its own European security agenda, the Soviet announcement at a CSCE forum also probably was intended to increase pressure for a firm Western commitment to early SNF talks and to deflect criticism from Moscow's foot-dragging on CFE. Although Shevardnadze referred to freeing Europe from nuclear weapons, Moscow is unlikely to press now for the complete elimination of tactical nuclear weapons. Prominent members of a Soviet civilian think tank have recently argued that complete withdrawal would threaten European stability and undercut conventional force reductions.

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Ethnic Flareup in Kirghiz S.S.R.



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USSR: Ethnic Violence Flares Anew in Central Asia

Fighting between bands of young Kirghizis and Uzbeks entered its second day yesterday in Osh, Kirghiziya, and has spread to Uzgen. Tension had been rising for several days over youths in Kirghiziya building homes on traditionally Uzbek farmland, and it boiled over on Monday, despite the efforts of republic officials to calm the situation. After Uzbek protesters clashed with Kirghizi counterdemonstrators, mobs attacked police headquarters and burned houses; as many as 17 have been killed, including two policemen, and more than 200 injured. Kirghiz Republic President Masaliyev, claiming the support of his Uzbek Republic counterpart, appealed to youths from surrounding areas not to join the rioters.

Comment: The Fergana Valley, where the riots occurred, is a cotton-producing region suffering from ethnic tension, high youth unemployment, and severe pressure on land and water resources. Last year more than 100 people were killed in riots in the Uzbekistan portion of the valley and Kirghizis and Tajiks fought across the republic border at Isfara. To date, officials in the Central Asian republics have cooperated to dampen conflicts rather than championing their own ethnic groups. Nevertheless, depressed economic conditions make further clashes likely in the Fergana Valley this summer.

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~~Top Secret~~**CAMBODIA: Sihanouk, Hun Sen Sign Cease-Fire Agreement**

Prince Sihanouk and Prime Minister Hun Sen yesterday signed an agreement in Tokyo calling for a voluntary cease-fire following the creation of a Supreme National Council with equal representation for the resistance coalition and the Phnom Penh regime. Sihanouk and Hun Sen will also ask the UN, through the Paris Conference on Cambodia, to help monitor the cease-fire and verify the withdrawal of Vietnamese troops and the end of foreign military aid to the Khmer factions.

Comment: The Tokyo agreement probably will not advance efforts to reach a political settlement or end hostilities soon, especially if the Khmer Rouge, which boycotted the talks, rejects the accord. The role of the Supreme National Council is unclear; the Hun Sen government is sure to resist efforts to give it a meaningful role in preparing for elections. Before the cease-fire takes effect, the three resistance forces probably will try to expand their control over the countryside and may attack large garrisons and population centers, including Siemreab and Phumi Samraong. China is not likely to press the Khmer Rouge to abide by the cease-fire unless Hanoi exhibits more flexibility during Sino-Vietnamese talks this week.

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~~Top Secret~~**SOUTH AFRICA: Falling Gold Price Bodes Ill**

South Africa faces weaker export earnings and labor unrest if the price of gold does not rebound soon. The London spot market price closed Monday at \$359.20 per troy ounce, the lowest level since September 1989. Lower gold prices have already contributed to a 1.4-percent annualized decline in real GDP in the first quarter of 1990, the second consecutive quarter of negative growth. Gold sales account for roughly a third of Pretoria's export earnings.

Comment: Pretoria's efforts to set the economy on a steady course of moderate growth—sorely needed to facilitate the expensive transition to a postapartheid society—will be severely hampered if gold prices remain at current levels. The government probably will be forced to restrict imports further to protect the large trade surplus it needs to finance external debt payments. Moreover, low gold prices will hasten plans to close more than a dozen mines that are unprofitable even at a price of \$370 an ounce. Layoffs of mineworkers—among South Africa's most politicized blacks—would significantly increase the risk of unrest in mining areas as the government and the black opposition prepare for further talks.

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~~Top Secret~~**NICARAGUA: Donors Conference Begins**

Managua may get less than half the \$100 million in emergency cash grants it is seeking at the two-day donors meeting that begins today in Rome. Many of the more than 30 participating countries and international organizations intend only to confirm previously announced commitments, consisting largely of food and other humanitarian aid, tied trade credits, and project assistance.

The Soviets, who were invited on short notice, will send two representatives. some attendees are unhappy with the lack of specifics in Managua's economic plan. The Sandinistas, represented by former Vice President Ramirez, will join Chamorro administration officials in lobbying for aid.

Comment: Despite the favorable public relations and political support it stands to gain at the conference, Managua almost certainly will receive few of the unrestricted cash grants most needed to stabilize the economy. Western donors—preoccupied with developments in Eastern Europe—generally expect the US to bear most of Nicaragua's aid burden, although some may increase their assistance as the Chamorro government settles in and defines its priorities. The Soviets hope to continue playing a role in Nicaragua and may earmark some new assistance, but they will also seek assurances that Managua will eventually repay its more than \$1 billion debt. The Sandinistas' decision to participate probably is intended largely to improve their international image.

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In Brief

USSR

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— Soviet media reporting Vladimir Ivashko, Ukraine's new president, will resign as republic party chief later this month . . . nationalist movement Rukh led opposition to his holding both top posts, threatened rallies, strikes.

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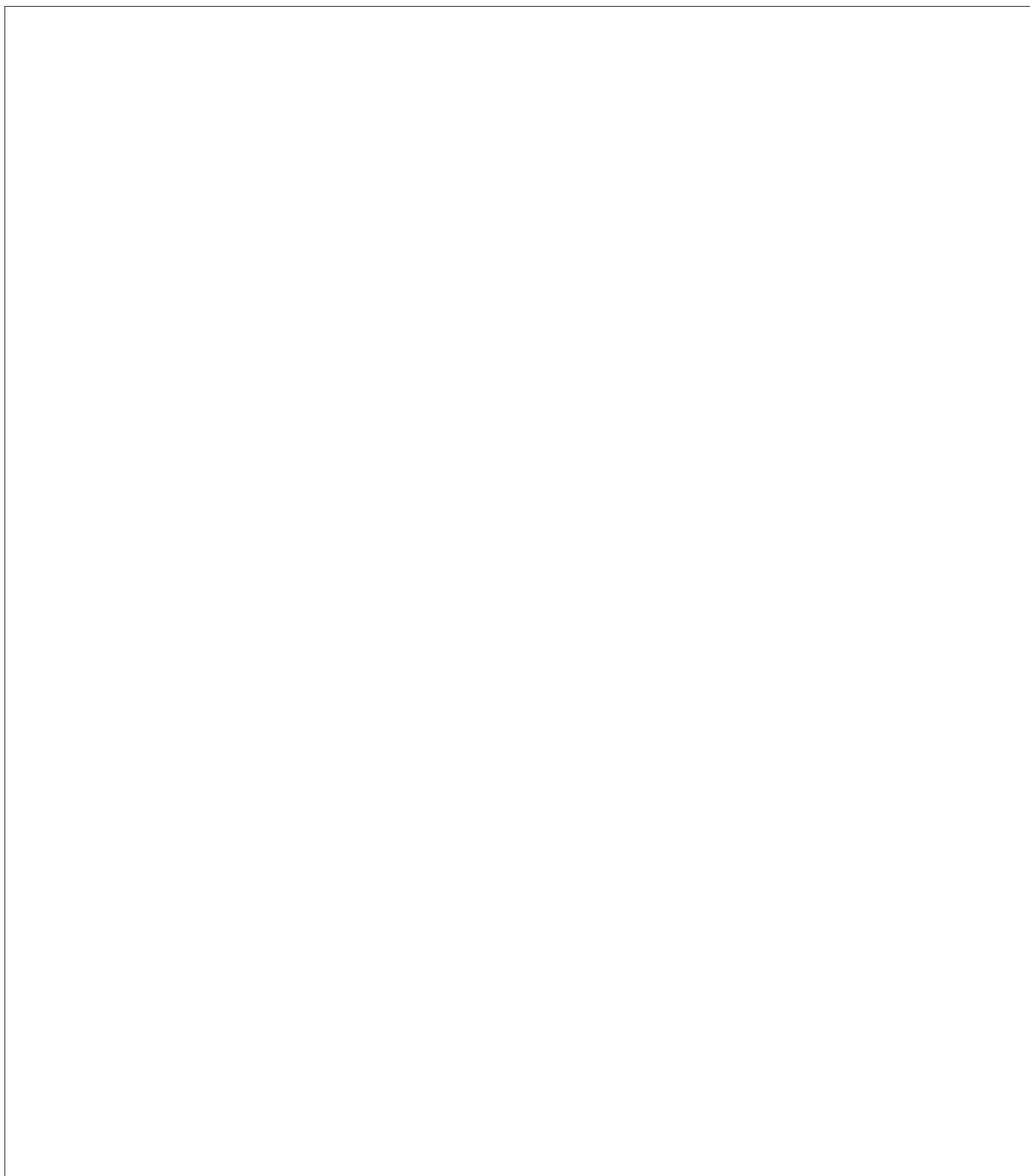
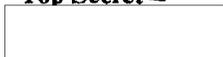
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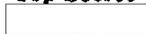
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