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Soviet Relations With Oceania



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An Intelligence Assessment

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*SOV 87-10034X
July 1987*

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Soviet Relations With Oceania

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An Intelligence Assessment

This paper was prepared by [Redacted]

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Office of Soviet Analysis, with contributions from

[Redacted] Office of East Asian

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Analysis; and [Redacted] Office of Global Issues.

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**Soviet Relations
With Oceania** [redacted]

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Key Judgments*Information available
as of 1 July 1987
was used in this report.*

Since 1984 the Soviets have increased their activities in Oceania, the region that includes the South Pacific island states, Australia, and New Zealand. They have signed two fishing agreements, established diplomatic relations with Vanuatu, and sent Foreign Minister Shevardnadze to Australia in March 1987. Moscow's heightened interest in the region probably stems in part from a general thrust toward greater activism in Asia, as well as Soviet perceptions of exploitable opportunities afforded by strained US relations with Oceanic states and the worsening economic conditions in many of the island states. [redacted]

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The Soviet Union's attempts to establish an economic and political presence in Oceania are linked to Moscow's two primary objectives in Asia—(1) gaining recognition as a major political force in Asia as well as a military power, and (2) limiting the influence of the United States in Asia and the Pacific. Oceania is a region of low strategic priority to the Soviets; Moscow has no socialist-oriented clients and little commercial or military interest in the area. The Soviet Union has historically had little influence and practically no political or military presence in the region. Consequently, the key Soviet goal in Oceania is the reduction of Western influence, particularly the denial or reduction of US military access. Specific Soviet objectives are to disrupt the ANZUS relationship and to encourage the transformation of the region into a nuclear-free zone. We believe that, for the time being, the Soviets are not striving to establish a substantial presence, political or military, in the region and that they would be satisfied with any increase in their regional influence at the expense of the West. Soviet expectations for the next few years are probably modest.

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Moscow uses a double-pronged strategy to achieve its goals in Oceania, encouraging antinuclear and anti-Western sentiment while promoting itself as a commercial partner for Pacific nations. Soviet propaganda focuses on tensions between regional states and the United States, seeking opportunities to portray the United States and its allies as the true threats to the region. At the same time, Soviet approaches to local governments and propaganda toward the region portray the Soviet Union as a distant but benevolent advocate of Pacific interests. The Soviets also maintain ties to local labor unions and other leftist groups pursuing antinuclear goals.

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Soviet relations with Australia have improved since the early 1980s, when they were strained by the Soviet invasion of Afghanistan and the KAL shootdown. These relations appear to be on an even keel, and Soviet Foreign Minister Shevardnadze paid an uneventful visit to Canberra in March 1987. Moscow appears to expect few political gains in the near future, however, and has chosen to concentrate on promoting disarmament initiatives and expanded commercial relations. 

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In the case of New Zealand, relations are still at arm's length, despite Moscow's public support for Wellington's antinuclear position. Prime Minister Lange's sensitivity to any implication that the ANZUS estrangement has opened the door to closer Soviet-New Zealand relations has led New Zealand to deny Soviet requests for expanded commercial contacts and Aeroflot landing rights. Wellington and Moscow traded diplomatic expulsions in April 1987, although the Soviets gave the incident low-key treatment. 

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The smaller Pacific island states, which suffer from growing economic problems, are the best targets for Soviet commercial overtures. For example, Vanuatu signed a fishing agreement with Moscow in January 1987 that permits shore access for Soviet fishing vessels. 

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 the Soviets believe that if they can win over a few key island states, such as Vanuatu and Fiji, the rest will eventually follow. Moscow recently has suffered a loss of momentum in its aggressive courtship of the smaller Pacific island states, however, and the Soviets probably suspect that their highly visible campaign in the South Pacific spurred Western countermeasures that lessened the attractiveness of Moscow's offers. 

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We believe that in the near future the Soviets will continue to pursue commercial relations with the Oceanic states, using attractive initial deals to establish ties. Moscow almost certainly will continue to use the ANZUS rift and the US decision not to sign the South Pacific Nuclear-Free Zone Treaty protocols as themes for antinuclear and anti-American propaganda in the region. The Soviets also will try to expand their ties to local leftist groups and labor unions, especially in the South Pacific island states. In addition, Moscow will continue to agitate in the United Nations against the US termination of the Trust Territory of the Pacific Islands and against French rule of New Caledonia. 

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Australia and New Zealand are unlikely to warm to the Soviets in the near future, although indigenous antialliance and antinuclear sentiments there may serve Soviet regional interests. The Australians are concerned that increased Soviet activity in the South Pacific island states may lead to an erosion of Canberra's influence in the region. New Zealand's Prime Minister Lange is anxious to avoid being seen as moving closer to Moscow in the wake of the ANZUS dispute. A number of factors also probably will limit the increase of Soviet influence in the South Pacific island states, including their pro-Western orientation and the preponderance of Western aid in the region. Nevertheless, economic woes may lead local states to respond to Soviet commercial overtures.



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Soviet Relations With Oceania

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Introduction

The recent flurry of Soviet activity in the Oceanic states follows a long period of relatively cool relations with the region. Both Australia and New Zealand imposed strict sanctions on Moscow after the 1979 invasion of Afghanistan. Sanctions were relaxed in the mid-1980s and Soviet commercial relations with both countries expanded gradually, but spying scandals and the shutdown of KAL 007 kept bilateral relations cool. These events also fueled the antipathy toward the USSR of the newly independent, strongly pro-Western South Pacific island states. The South Pacific states refused Soviet economic offerings between 1976 and 1980, owing to modest increases in aid from the United States and other Western donors and the reluctance of island governments to deal with Moscow. Until 1984 Moscow apparently considered any new initiatives in the South Pacific as bound to fail.

Since 1984, however, the Soviets have stepped up their activities in the region. Their heightened interest probably was due in part to a growing realization that the USSR had up to then shut itself out of Oceania, and in part to strained US relations with states in the region. Disputes over tuna fishing rights between American fishermen and the island states and growing antinuclear sentiment in New Zealand may have suggested to the Soviets that new opportunities were to be found in the region. In addition, Moscow may have judged that worsening economic conditions in many of the island states would make them more receptive to Soviet offers of economic cooperation.

A sign of increased Soviet interest in the region is the Soviet Foreign Ministry's recent formation of a new department for Oceania. The Pacific Department, whose creation the Foreign Ministry announced in the summer of 1986, is responsible for Soviet relations with Australia, New Zealand, the Pacific island states, and Japan. Australia, New Zealand, and the

Pacific states had been previously lumped in with the United Kingdom and Canada in the European Department.

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Soviet Objectives in the Region

Soviet attempts to establish an economic and political presence in Oceania (see foldout map in back) are linked to Moscow's two primary objectives in Asia—(1) gaining recognition as a major political actor in Asia as well as a military power, and (2) limiting the influence of the United States in Asia and the Pacific. The Soviet Union historically has had little influence and practically no political or military presence in Oceania, and the region is of low strategic priority to Moscow for a number of reasons:

- It is geographically isolated from both the Soviet Union and the United States.
- It does not sit astride sea lanes that the Soviets view as important and that they must protect.
- There are no socialist-oriented countries in the region, precluding the need for Moscow to operate militarily there to support clients.
- Moscow's commercial relations with the region are small.

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Oceania is, however, a region of some strategic importance to the United States. The ANZUS alliance, which in addition to its military cooperation in the area also affords the US access to Southern Hemisphere sites for tracking Soviet space operations, is the focus of US interest in Oceania. As a result, the key Soviet goal in Oceania is the reduction of Western influence in the region, particularly the denial of US military access. The expansion of Soviet influence there is a much lower priority.

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To achieve its goals in Oceania, Moscow uses a double-pronged strategy of encouraging antinuclear and anti-Western sentiment while promoting itself as a commercial partner for Pacific nations. Specifically, Moscow's main objectives are to disrupt and, if

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Soviet Naval and Air Activity in Oceania

The Soviet military presence in Oceania is limited. Soviet naval combatants do not operate in the region, although missile-tracking ships have been sighted—most recently off the Cook Islands in March 1987. The Soviets send several oceanographic research ships a year to the South Pacific; the last such expedition took place in January 1986. Although these vessels are civilian, the data gathered have military applications related to submarine operations and antisubmarine warfare. [redacted]

The Soviet Navy maintains two sophisticated intelligence collection ships permanently stationed just outside the 12-mile coastal waters of Kwajalein to monitor the US missile range there. Long-range reconnaissance aircraft based in Cam Ranh Bay also periodically fly over the northern fringe of the region. The presence of Soviet fishing vessels in the South Pacific is unlikely to improve significantly Soviet intelligence-gathering capabilities. [redacted]

The Soviets do not use any facilities in Oceania for support of air operations into and out of Antarctica. Their main airbase for Antarctica is at Maputo, Mozambique. Some Soviet ships call at Australia and New Zealand on Antarctic support routes that also include calls at Singapore; others use Atlantic Ocean routes. The number of Soviet port calls to Australia varies from year to year, depending on Antarctic station staffing and equipment requirements. [redacted]

possible, break up the ANZUS relationship and to encourage the transformation of the region into a totally nuclear-free zone. Its efforts are helped considerably by the fact that the USSR is not militarily involved in the region. As a result, Moscow has been able to exploit anger directed against French nuclear testing in the region and concerns about the presence of US ships. The Soviets manipulate other regional issues involving the United States—the termination of the UN Trust Territory of the Pacific Islands, fishing disputes, US opposition to increased Soviet activity in

the Pacific—to provide propaganda support for their primary objectives. [redacted]

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Although secondary to the denial of a Western military presence, Moscow seeks expanded Soviet trade and economic cooperation in the region as well. The Soviets would like to increase their exports to Australia and New Zealand, from which the USSR imports foodstuffs and wool, to reduce their trade deficits with those countries. Moscow may also see those countries as potential sources of high technology. In addition, the USSR seeks fishing deals with the island states, particularly those that include shore access for Soviet ships. Besides reducing fishing fleet costs by permitting crew changes and local repairs, such access would help establish a Soviet regional presence and could bring intelligence benefits. [redacted]

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Recent Soviet Activities

Soviet approaches to Oceanic governments are relatively low key, vary from country to country, and are designed to convince both leaders and citizens that the Soviet Union is not a military or political threat. Direct Soviet approaches to local governments focus on commercial proposals and requests for routine diplomatic contact. According to US Embassy reporting, Soviet delegations to Australia and New Zealand have stressed noncontroversial issues such as Moscow's interest in enhancing "Asian security," a theme expressed in General Secretary Gorbachev's Vladivostok speech of 28 July 1986. Soviet delegations to the island states have emphasized that Moscow is simply seeking commercial access to the region equal to that of the West. Soviet propaganda on the South Pacific discusses Soviet interest in the region in terms suggesting a distant but benevolent spokesman for regional concerns. [redacted]

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Australia. Soviet relations with Australia in the early 1980s were strained by the invasion of Afghanistan—for which Canberra imposed strict economic sanctions on Moscow that were not lifted until 1983—and by the KAL shootdown. In 1983 a Soviet first secretary—[redacted]—was expelled for cultivating a Canberra lobbyist who was formerly the national secretary of the Australian Labor Party. The US

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Embarrassment Down Under

Soviet public relations efforts in Australia suffered a double blow in February 1987. According to the US Embassy in Canberra, in late January the Canberra Times ran several stories—probably leaked by the Soviet Embassy—about supposed Soviet success in obtaining Australian permission to establish a “USIS-style” information office. To the Soviets’ embarrassment, Foreign Minister Hayden subsequently announced that the office would not be established until the Soviets acceded to Australian requests for a new embassy site in Moscow. [redacted]

The second Soviet blunder was stimulated by an article in the newspaper The Australian in which defense writer Peter Young, detailing the growing Soviet presence in the Pacific, referred to the Soviet base at Cam Ranh Bay. The Soviet Embassy in Canberra sent a letter to the editor several days later calling Young’s description of Cam Ranh Bay “a fantastic story” and denying the presence of a Soviet base there. Young refuted the Soviet claim in an op-ed piece several days later, citing a range of sources, including Foreign Minister Hayden, the 1984-85 Australian Defense Report, CINCPAC, and the International Institute of Strategic Studies. Young and other Australian columnists observed that the Soviet Embassy’s easily refutable assertions call into question overall Soviet credibility—something that Gorbachev has been trying to shore up. The Soviet slip possibly was motivated by a desire to provide a figleaf for leftwing groups in Australia attempting to combat the “myth” of Soviet expansionism in the Pacific, or by concern for Soviet-Vietnamese relations. The US Embassy in Canberra noted, however, that the incident attracted a good deal of publicity and distracted media attention from the US decision not to sign the SPNFZ Treaty—an issue that the Soviets had hoped to exploit. [redacted]

before and during the ANZUS crisis Wellington’s determination to maintain its Western alignment. In early 1985 Lange went so far as to call in the Soviet Ambassador to protest Soviet media coverage of the ANZUS crisis. Lange has also on occasion warned the South Pacific countries considering fishing treaties with Moscow of the dangers of Soviet “meddling” in the area. [redacted]

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Soviet relations with New Zealand are still at arm’s length, reflecting Lange’s sensitivity to any implication that the ANZUS estrangement has opened the door to closer Soviet–New Zealand relations, but the chill of the early 1980s has diminished. Moscow has shown itself sensitive to New Zealand’s aversion to politicization of routine diplomatic and commercial relations. When then Deputy Foreign Minister Mikhail Kapitsa visited Wellington for three days in August 1986—the first visit by a high-level Soviet official since at least 1980—he almost completely ignored the subject of ANZUS tensions and focused instead on Gorbachev’s Vladivostok speech. A trip to Moscow by New Zealand Minister of Overseas Trade Moore was also devoid of political references. In addition, when Wellington expelled a Soviet diplomat in April 1987 on unspecified charges of “conduct not befitting a diplomat,” the Soviet Foreign Ministry avoided trading insults, and, after waiting a week, retaliated with an expulsion at a much lower level.

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[redacted]

While Soviet propaganda on the ANZUS rift did not link New Zealand and the Soviet Union, Moscow did not hesitate to support New Zealand’s antinuclear position. Soviet propaganda also played up the theme of US interference in other countries’ domestic affairs and attempts to dictate to its allies. During Kapitsa’s Wellington visit, according to New Zealand officials, he raised “almost casually” the possibility of sharing information on Soviet ship movements as an example

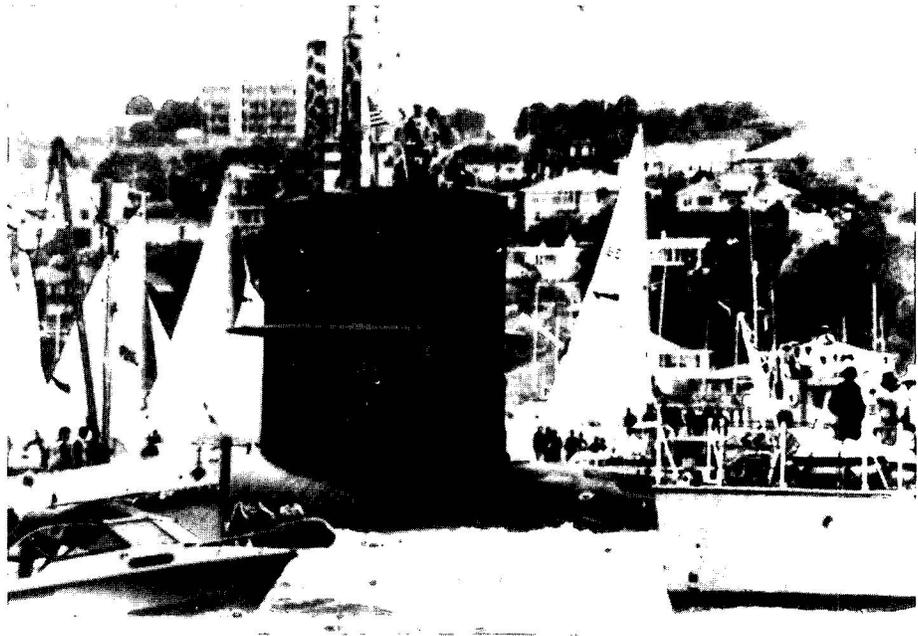
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Figure 2. Members of the Peace Squadron surround the USS Queenfish as it enters the harbor at Auckland, New Zealand, 1984.



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of confidence-building measures that could help set the stage for a Helsinki-like meeting on the Asia-Pacific region. The New Zealand Government reacted noncommittally, however, and warned the Soviets that superpower interference of any kind in the South Pacific would not be appreciated. [redacted]

Soviet trade with New Zealand is down sharply from the early 1980s, mainly because Moscow has been able to purchase dairy products—New Zealand's chief exports to the USSR—more cheaply and conveniently from Europe, and New Zealand's market for Soviet goods remains small. Nevertheless, the Soviets renewed a fishing agreement with New Zealand and will continue to push their exports to Wellington. [redacted]

South Pacific Island States. Soviet prospects in the South Pacific are significantly better than those Moscow faced until recently. Until 1984 the newly independent island states were suspicious of Moscow because of the invasion of Afghanistan, the KAL shootdown, and the influence of Western governments. Soviet economic offerings were universally

refused. Only four of the nine island states—Fiji, Papua New Guinea, Tonga, and Western Samoa—had established relations with Moscow by 1984. [redacted]

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Soviet prospects began to improve in 1984 and 1985, however, as the worsening economic conditions of the island states forced them to begin to look for new sources of income. The falling level of Western economic aid to the region, combined with bitterness over what the island states regarded as unlawful fishing in island waters by US tuna fishers, led Moscow to attempt to exploit local disenchantment with the West. In June 1985 the Soviet Union and Kiribati signed a \$1.2 million one-year fishing agreement that provided access to Kiribati's 200-mile exclusive economic zone (EEZ) but not landing rights or access to coastal waters. In June 1986 Vanuatu established diplomatic relations with the USSR—the first South Pacific state to do so since Western Samoa and Papua New Guinea in 1976. During the summer of 1986, Fiji also lifted its Afghanistan-inspired ban on Soviet cruise ships stopping at Suva, primarily for economic

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Fisheries Tensions in the South Pacific

The foundation for the fisheries disputes between the United States and the South Pacific island states was laid in the 1970s when it became accepted international practice for countries to claim 200-mile exclusive economic zones (EEZs) adjacent to their coasts. The United States, while generally adhering to the principle of EEZs, refused to recognize the zones' jurisdiction over highly migratory species of fish, which include the tuna. As a result, disputes arose over the presence of US tuna boats in the waters of other, primarily South American, countries, and US boats were impounded. In 1976 Congress passed the Magnuson Fishery Conservation and Management Act, which, in addition to asserting jurisdiction over fishery resources within 200 miles of the US coast, stated that if a foreign country impounded a US tuna boat in its EEZ the US Government would (a) pay the fines and other charges necessary to regain the boat, and (b) impose an automatic embargo on fishery products from the country in question. [redacted]

Although US tuna boats were not frequenting South Pacific waters when the Magnuson Act was passed, the depletion of South American waters eventually led US boats into South Pacific waters in the early 1980s. Papua New Guinea seized a US boat in 1982, and in 1984 the Solomon Islands seized the US boat Jeanette Diana. Although an agreement was reached with Papua New Guinea to avoid an embargo, the United States embargoed Solomon Islands' fisheries products for nearly a year. [redacted]

On 20 October 1986, after several years of protracted negotiations, the United States and the 16-member South Pacific Forum Fisheries Agency (FFA) signed a \$60 million agreement giving 35 US tuna boats the right to fish in certain areas of the FFA member nations' EEZs for five years. The agreement takes precedence over the Magnuson Act, which is still in effect. [redacted]

reasons. The Soviets have taken advantage of cruise ship stops in Suva to stage cultural exhibits and to let Soviet officials tour the region unofficially. Moscow also offered various forms of economic cooperation to Fiji, Western Samoa, Papua New Guinea, and Vanuatu, and sent a two-member delegation from the Soviet Embassy in Canberra to Fiji in September 1986 for trade talks. [redacted]

Moscow has suffered a loss of momentum, however, in its aggressive courtship of the South Pacific states. In September 1986 the Soviets publicly announced their intention to cut the fee for any renewal of the fishing agreement with Kiribati to half the original amount, citing poor catches but probably motivated by Kiribati's continued unwillingness to grant access to shore facilities. The agreement expired 14 October 1986, and negotiations for renewal were marred by Soviet intransigence on financial issues and last-minute cancellations of meetings. Kiribati stopped renewal negotiations after the United States and the nations of the South Pacific Forum Fisheries Agency (FFA)—which includes Kiribati and Vanuatu—signed a five-year fisheries agreement in mid-October. Tonga and Tuvalu both turned down Soviet proposals for fishing deals in early 1987, and Kiribati reportedly has rebuffed a recent Soviet offer to establish diplomatic relations. Other local states have not responded to Moscow's often impractical economic offers. As a result, the Soviets have let drop most of their unsuccessful economic proposals and appear to have postponed indefinitely the idea, discussed sporadically during 1986, of a high-level Soviet visit to the smaller island states. [redacted]

Vanuatu remains the Soviet Union's best contact in the South Pacific, and the state with which Moscow is the most likely to establish a lasting relationship. In early December 1986, Vanuatu agreed to allow eight Soviet ships to fish in its 200-mile exclusive economic zone and to use three local ports for refueling and maintenance for a fee of \$1.5 million. The draft agreement reportedly contains an article providing for

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Why Did Moscow Let the Kiribati Deal Drop?

Moscow's South Pacific strategy has a low cost. The \$1.2 million the Soviets reportedly paid Kiribati for fishing rights in 1985 is a paltry sum for Moscow, but the fee amounted to nearly 12 percent of the Kiribati Government's annual budget and was higher than free market value. By insisting that Kiribati lower its fees, Moscow eventually led Kiribati—which was asking for an increase to \$1.6 million—to cancel the fisheries agreement renewal negotiations. There are several possible explanations for Moscow's stingy behavior:

- *By threatening to cut their payments, the Soviets may have hoped to increase the pressure on Kiribati to accept at least some form of shore access, as well as to demonstrate to regional states that they are no-nonsense negotiators. If this were the case, then Moscow underestimated Kiribati's resistance to the notion of a Soviet presence ashore and failed to anticipate the signing of the South Pacific Forum-US agreement.*
- *Moscow may have concluded that Kiribati intended to continue to reject requests for shore access and decided to cut back its payment as a result. Alternatively, the Soviets may have believed that, because they had portrayed their interest in the*

Kiribati deal as being purely economic, they could not renew the deal at a level that had been shown to be higher than free market value without harming their credibility. These possibilities are more plausible if Moscow judged that its negotiations with Vanuatu were likely to be successful, in which case the Soviets would be less concerned about keeping a foot in the South Pacific door through Kiribati.

- *By holding to a low price with Kiribati, citing economic reasons, Moscow may also have hoped to hold down Vanuatu's price for a fishing agreement. If Moscow had agreed to a \$1.6 million deal with Kiribati, whose waters are not as rich as those of Vanuatu and which was not prepared to offer shore access, Vanuatu might have insisted on a much higher price than the \$1.5 million on which it finally agreed.*

Soviet budgetary restrictions or hard currency shortages could have contributed to any of the scenarios listed above.

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periodic bilateral consultations to examine the prospects for expanding fisheries cooperation. The article reportedly states that the Soviet Union and Vanuatu will consult on the possibility of port calls by Soviet vessels other than those licensed to fish in Vanuatu's EEZ and on possible crew replacement by Aeroflot charter flights to and from Vanuatu. According to press reports, Soviet negotiators have hinted that Moscow's success in signing an agreement with Vanuatu may convince Kiribati to come back to the table this year.

Moscow probably hopes to coax the island states away from their historically close ties to the West and to guide them toward nonalignment. Moscow represents itself as a friend of Third World states that has an

unthreatening interest in the Pacific, and has sought to present the USSR as a counterbalance to Australian and New Zealand—as well as to US—influence in the region. For example, the Soviet press has denounced as patronizing Australian, New Zealand, and US attempts to warn island states away from deals with Moscow. Soviet propaganda stresses that the larger states are denying the poorer islanders economic opportunities with Moscow that the larger states enjoy, such as fishing deals. The Soviet press also has alleged CIA involvement in the May 1987 coup in Fiji as proof of US interference in local affairs.

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The Soviets probably suspect that their highly visible campaign in the South Pacific spurred Western countermeasures that lessened the attractiveness of Moscow's offers. Moscow believes, for example, that the United States signed the deal with the FFA to block future Soviet fishing deals in the region. As a result, although the Soviets almost certainly will continue to court the South Pacific states, they are likely to move more deliberately and may focus their attention on states they judge to be especially receptive, such as Vanuatu, rather than make vague offers to a large number of states. [redacted]

[redacted] some Soviet officials believe that if Moscow can win over the key island states—probably including Vanuatu and Fiji—the rest of the Pacific states will follow. [redacted]

The Nuclear Issue and Labor Fronts

The Soviets continue to try to nourish antinuclear sentiment in Oceania through contact with local leftists and antinuclear seminars sponsored by Soviet front groups. In Australia and New Zealand, Moscow works primarily through indigenous Communist groups. While total membership is small, the Communists enjoy influence in local trade unions and, with Moscow's assistance, have been active in promoting causes that parallel the Soviet line. The Soviets have longstanding contacts with a small number of well-placed and organized political radicals who can substantially affect labor's position on antinuclear issues. The Soviets get these Communist contacts to arrange for other Australian and New Zealand socialists to travel to the USSR. In New Zealand, Moscow has been especially successful in using this technique to cultivate high-level members of the Federation of Labor (FOL), the country's most important trade union. [redacted]

Moscow also works through the Communists to promote the activities of its front groups such as the World Federation of Trade Unions (WFTU) and the World Peace Council, which in October 1985 sponsored the International Peace Conference for the Pacific and Asia Region in Sydney. Such forums allow Moscow to promote antinuclear and anti-American political initiatives. [redacted]

In the island states, the Soviets work through the Asian Oceanic Trade Union Coordination Committee (AOTUCC), the WFTU regional affiliate, to influence the local trade unions. They are also providing support to Australian and New Zealand activists seeking to radicalize the South Pacific trade union movement. For example, AOTUCC reportedly has funded the WFTU affiliate in the Solomon Islands and the Fiji Labor Party. To date, however, local trade union bodies remain suspicious of Soviet intentions, and the pro-Moscow initiatives among unions in the Pacific Islands have met with only limited success. [redacted]

The Soviets probably believe that radical Australian and New Zealand unionists in the Pacific Trade Union Forum (PTUF) offer more promise for Moscow's efforts to mobilize antinuclear and anti-American sentiments in the South Pacific. The PTUF was established in 1980 under the auspices of Australia, New Zealand, and Fiji with the proclaimed purpose of ridding the Pacific of nuclear arms and terminating military agreements between nuclear powers and Pacific nations. Soviet and WFTU observers at PTUF conferences—the most recent was held in Auckland in May 1986—have not appeared very influential, according to the US Embassy in Canberra. Nevertheless, the PTUF has adopted an increasingly anti-American and antinuclear posture—serving Moscow's foreign policy objectives. The PTUF also played a behind-the-scenes role in the establishment of the Fiji Labor Party, which, although it is not explicitly pro-Soviet, has had some successes in challenging existing political lines in Fiji. [redacted]

Prospects for Future Soviet Activity in Oceania

Promotion of Commercial Activity. We believe that the Soviets will continue to pursue commercial relations with the South Pacific states, using attractive initial deals to establish ties. Moscow will continue to take advantage of any frictions between the United States and island nations to try to convince local states to enter into additional fishing agreements with the USSR. The Soviets will also continue to make proposals that would afford them some shore access, [redacted]

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***The South Pacific Nuclear-Free Zone Treaty
(Rarotonga Treaty)***

The notion of an SPMFZ sprang from indigenous antinuclear sentiment among the Oceanic countries in the early 1980s. In August 1985 the 13-member South Pacific Forum approved a draft of the treaty, which became effective on 8 December 1986 after eight local states ratified it. The treaty prohibits the acquisition, stationing, and testing of nuclear weapons in the South Pacific. However, the treaty guarantees unimpeded transit of nuclear-powered and nuclear-armed ships on the high seas and allows individual countries to decide on the question of port access. [redacted]

Australian Prime Minister Hawke was instrumental in formulating the draft treaty to preempt more radical elements from barring nuclear-armed or nuclear-powered ships from all ports in the zone. The New Zealand Government, against the wishes of domestic radical antinuclear groups, joined Australia in promoting the present form of the treaty. Several of the smaller island nations fear that the treaty may restrict US and ANZUS activity in the region. Vanuatu and the Solomon Islands, on the other hand, believe that the treaty does not limit nuclear activity strictly enough. [redacted]

The nuclear powers have been asked to accede to three protocols that prohibit manufacturing, stationing, testing, and using nuclear weapons in the zone. Any signatory has the right to withdraw with advance notice. The Soviet Union signed the relevant protocols on 15 December 1986. [redacted]

such as shipping fish caught on Soviet boats in the region to local canning factories. Moscow undoubtedly also will continue to push Soviet exports to Canberra and Wellington, while maintaining grain and wool imports from those countries. [redacted]

Fostering Antinuclear Sentiment. The Soviets will continue to seek out contact with antinuclear groups in Oceania and probably will devote special attention



Figure 3. A crowd in French Polynesia protests France's nuclear test program being conducted there. [redacted]

to building their ties to South Pacific island antinuclear labor activists. Soviet propaganda will continue to stress Moscow's interest in nuclear-free zones, both in the Pacific and elsewhere. [redacted]

Moscow has repeatedly provided both diplomatic and media support for the South Pacific Nuclear-Free Zone since its inception and was the first nuclear power to sign the protocols to the SPMFZ Treaty, also known as the Rarotonga Treaty. In announcing their decision to sign the protocols, the Soviets stated:

The Soviet Union reaffirms its stand that the permission of transit of nuclear weapons . . . and the calls at the ports and airfields within the limits of the Nuclear-Free Zone of foreign war ships and flying vehicles with nuclear explosive devices on board would be in conflict with the aims of the treaty and incompatible with the nuclear-free status of the Zone.

With this statement, the Soviets have left open the option of backing out of the treaty if US nuclear-armed ships continue to make port calls in the region.

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Moscow is more likely, however, to remain a party to the treaty and to use it as a propaganda issue. [redacted]

development of Cam Ranh Bay, and about the increase of Soviet activity in the South Pacific island states. While not necessarily viewing Soviet activity in the island states as a threat to Australian security, the Australian Government is concerned that an increased Soviet presence may lead to the erosion of Australian influence in the region. [redacted]

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Moscow undoubtedly will attack Washington's rejection of the treaty as a lack of commitment to arms control and will try to use the issue to disrupt US relations with local states. Moscow will attempt to fan local suspicions of US nuclear activity in the South Pacific and may suggest that US indecisiveness implies lack of concern for regional sensitivities. The Soviets are likely to encourage Pacific governments to take a highly restrictive stance on port calls in an effort to restrict US military operations in the South Pacific. [redacted]

In our judgment, New Zealand's antinuclear policies do not imply a tolerance of Soviet involvement in the South Pacific:

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Maneuvering Over Micronesia and New Caledonia.

The Soviet Union is opposed to the proposed termination of the UN Trusteeship over Micronesia and to the free association of islands within the Trusteeship with the United States, and it has hinted in private and in the press at a Soviet UN Security Council veto of a termination vote. Soviet opposition is rooted in Moscow's fear that the United States will establish military bases on the islands, which are considered to be good alternate sites for the US Philippine bases and which are not covered by the SPNFZ. Moscow apparently expected support for its position from the island states, especially from Vanuatu, but so far this has not materialized. [redacted]

- New Zealand's Prime Minister Lange is anxious to avoid being seen as moving closer to Moscow in the wake of the ANZUS dispute. He has rejected Soviet efforts to increase bilateral ties, including Moscow's requests for Aeroflot landing rights, expanded fishing agreements, and a drydock for Soviet ships. He reportedly was not pleased that the New Zealand Labor Party President and General Secretary were going to visit Moscow for nine days in January 1987, and agreed to sign a letter of introduction to Gorbachev only after he had, according to US Embassy reporting, "made a few points" in the body of the letter. Lange implied that his comments in the letter would ensure that the New Zealanders would not get to meet with Gorbachev, which indeed they did not.

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The separatist movement in New Caledonia received limited propaganda support from Moscow in 1984 and 1985. In the last year, however, the Soviet press has reported primarily in a factual manner on events in New Caledonia, probably because of concern for Soviet-French relations. Nevertheless, the Soviets voted in favor of a December 1986 UN resolution adding New Caledonia to the list of non-self-governing territories and provided propaganda support for the resolution. [redacted]

- According to the US Embassy in Wellington, Lange was angered when the Soviets attached reservations to their signing of two SPNFZ protocols. He also interpreted the Soviets' early signing of the protocols as a propaganda effort.

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- Wellington has also been reluctant to address a trade imbalance with the Soviets running 34 to 1 in New Zealand's favor. [redacted]

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Probable Regional Responses to Soviet Initiatives

The Australian Government will almost certainly resist any Soviet efforts to drive a wedge between Canberra and Washington. The Australian military [redacted] are concerned about growing Soviet military power in Asia, especially the

Despite the Western orientation of Canberra and Wellington, we believe that the Soviets hope to exploit some strains in US relations with Australia and New Zealand to attempt to drive those countries away from Washington. Indigenous antialliance sentiments, not necessarily Soviet influenced, may also be spreading in Australia. If the Australian Government is

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***Soviet Opposition to Termination
of TTPI Trusteeship***

The Soviet Union is stepping up its efforts to block the termination of the UN Trusteeship over the Micronesian islands grouped in the Trust Territory of the Pacific Islands (TTPI). In his speech to the UN General Assembly on 23 September 1986, Soviet Foreign Minister Shevardnadze drew comparisons between US administration of the TTPI and South Africa's illegal administration of Namibia by urging the United Nations to "exercise all its rights" to determine the fate of both regions. The US Embassy in Bangkok reports that the head of the Soviet Foreign Ministry Southeast Asia Division, Anatoliy Zaytsev, told Thai Government officials that Moscow will try to take the TTPI issue to the UN General Assembly. [redacted]

Moscow's opposition to the termination of the UN Trusteeship stems from its fear of new US military bases in the Pacific. The Northern Mariana Islands have voted to become a commonwealth of the United States after termination of the Trusteeship; the other islands of the TTPI are seeking free-association compacts with the United States. All of these relations would give the United States basing rights on

the islands for the duration of the compacts. In particular, Palau is thought to be a possible alternative site for a US base if the United States ever were ejected from the Clark and Subic bases in the Philippines. Micronesia is not in the area covered by the SPNFZ Treaty. [redacted]

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The Soviets know that TTPI matters can be handled only by the UN Security Council. Moscow initially had hinted that it would veto a Security Council vote to end the UN Trusteeship. The Soviets probably suspect, however, that the United States will try to get around a Soviet veto simply by informing the Security Council of the termination of the Trusteeship rather than by a vote. By bringing the issue up to the General Assembly, Moscow probably hopes to drum up support from its allies to try to influence the Security Council to support a Soviet motion condemning the US action. Although such a vote probably would fail to block termination—the United States could veto the motion—the Soviets could hope to at least gain propaganda points by accusing the United States of disregarding international opinion. [redacted]

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forced to accommodate these sentiments in the years ahead, the United States might lose access to the US-Australian joint defense facilities. Such a loss, while not necessarily Soviet induced, nonetheless would serve perfectly Moscow's purpose in the region.

A number of factors militate against greatly increased Soviet involvement in the South Pacific island states, including:

- The pro-Western orientation of most of the island states. Only Vanuatu is formally nonaligned.

- The preponderance of Western and Japanese aid in the region.

- The strong Christian faith of many Pacific islanders. The Soviet Union often is perceived locally as antireligious.

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- Clumsy Soviet tactics in the region.

[redacted] Kiribati was angered by Soviet tactics in the negotiations for the renewal of the fishing agreement and by the rudeness of the Soviet representatives. In addition, island states are unlikely to be attracted by Soviet propaganda that discusses the region only in terms of superpower conflict.

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- Fresh US interest in the region. The signing of a fishing treaty between the United States and the South Pacific Forum has done much to defuse anti-Western sentiment in the region, [redacted]

Nevertheless, local states will continue to be interested in Soviet commercial overtures:

- The island states are desperately short of cash. In addition, commercial deals such as Soviet fishing agreements are seen in the islands as being preferable to aid handouts. Kiribati's President Tabai is willing to renew the fishing deal with the Soviets if they will match their previous fee, and several Cabinet members in Papua New Guinea favor negotiating a fishing pact with Moscow.
- The island states may believe that by increasing contact with Moscow they can play the "Soviet card" against the West. Islanders may believe that they can scare the Western states into "paying attention" to the region by holding out the specter of increased Soviet access to the South Pacific. [redacted]

The ANZUS split has added to these factors:

- The breakdown of ANZUS, an alliance previously considered by Pacific states to be indestructible, raises questions in the island states about the strength of US and Australian commitment to defense of the South Pacific.
- The US reaction to New Zealand's antinuclear policies and Washington's refusal to sign the SPNFZ Treaty have angered many island leaders and add to the perception that the United States is indifferent to regional concerns. Most of the South Pacific Forum states are eager for the United States to sign the SPNFZ Treaty. [redacted]

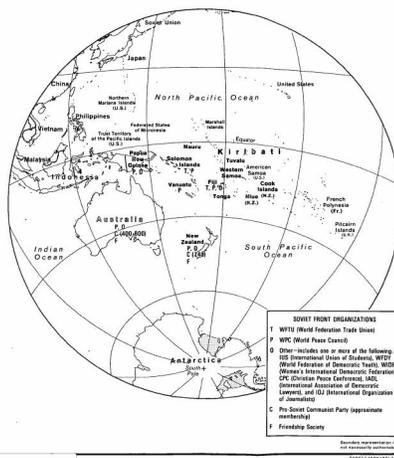
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Figure 4
Soviet Presence in Oceania



Fiji

Diplomatic Relations: Yes; no Soviet resident mission. In February 1986, Soviet Ambassador Samoteykin visited Suva for the first time since presenting his credentials in 1984.

Economic Agreements: None. Soviet cruise ships began calling at Suva in May 1986 after Fiji lifted its Afghanistan-inspired ban. In September 1986, Soviet officials tried unsuccessfully to negotiate an agreement allowing for the construction of a Soviet fish cannery in Fiji.

Papua New Guinea

Diplomatic Relations: Yes; no Soviet resident mission. The Soviets upgraded relations in November 1986, when Soviet Ambassador Samoteykin presented his credentials. This is the first time Moscow has accredited an ambassador to Port Moresby and the first time a Soviet ambassador has visited since diplomatic relations were established in 1976.

Economic Agreements: None. Fishing agreements were proposed by the Soviets in 1979 and 1984 but were rejected by Port Moresby.

Solomon Islands

Diplomatic Relations: No. Soviet Ambassador Samoteykin made an unofficial stop in the Solomon Islands in December 1986 but was unable to change Honiara's determination not to open relations.

Economic Agreements: None. A fishing agreement was proposed by the Soviets in 1984 but was rejected by Honiara.

Western Samoa

Diplomatic Relations: Yes; no resident mission.

Economic Agreements: None. In September 1986, a Soviet Embassy official stationed in Australia met with officials of private companies in various industries, including fishing, to test for possible economic agreements.

Tonga

Diplomatic Relations: Yes; no resident mission. Crown Prince Tupoua visited the Soviet Union, at Moscow's invitation, from 20-28 February 1987. The Soviet Union may have raised, in addition to regional issues and other bilateral issues, the possibility of strengthening economic links.

Economic Agreements: None.

Vanuatu

Diplomatic Relations: Yes; no resident mission. Relations were established in June 1986.

Economic Agreements: Fishing. On 27 January 1987, the Soviets signed a one-year fishing agreement with Vanuatu. The \$1.3 million licensing fee permits eight vessels to operate in Vanuatu's 200-mile exclusive economic zone and to call at the ports of Vila, Luganville, and Palakula for fuel, supplies, and maintenance. Discussions have been held, but no agreement reached, on Aeroflot landing rights.

Australia

Diplomatic Relations: Yes; mission with 125 diplomats. The head of the Soviet Ministry of Foreign Affairs, Pacific Department, visited for five days in September 1986, and Soviet Foreign Minister Shevardnadze visited for three days in March 1987.

Economic Agreements: Trade. Trade turnover in 1985 was \$654.9 million—up 8.4 percent over 1984—and favored Australia by \$589 million. Moscow imports grain and wool and exports machinery to Australia. In June 1986, the Australian Wheat Board announced an agreement to purchase 39 Soviet-made tractors. No follow-up deals to improve the trade balance have been signed.

Kiribati

Diplomatic Relations: No. *Economic Agreements:* None. In October 1986, a one-year, \$1.2 million fishing agreement was allowed by the Soviets to expire after negotiations broke down over licensing fees. No further negotiations are scheduled.

Tuvalu

Diplomatic Relations: No. *Economic Agreements:* None. Tuvalu recently rejected a Soviet-offered fishing agreement and shows little interest in negotiating with the Soviets.

Nauru

Diplomatic Relations: No. *Economic Agreements:* None.

New Zealand

Diplomatic Relations: Yes; mission with 70 diplomats. Diplomatic relations have been cool. Deputy Foreign Minister Kagata visited Wellington for three days in August 1986—the first high-level official visit since at least 1980.

Economic Agreements: Trade and fishing. Trade turnover in 1985 was \$101.9 million, up 61 percent over that of 1984. The Soviets are seeking Aeroflot landing rights and more servicing facilities for the Soviet fishing fleet operating off the New Zealand coast.

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