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FOLLOW-UP ON PARAGRAPH 6 OF THE FINAL COMMUNIQUE
FOLLOWING THE MEETING OF THE COUNCIL IN
MINISTERIAL SESSION OF DECEMBER 1969

Report on the Situation in the Mediterranean

In response to the request of the Council in its meeting of 16th December, 1969 (C-R(69)57, Item II), the attached report on the Situation in the Mediterranean is submitted for its consideration and possible submission to Ministers in accordance with paragraph 6 of the Communiqué of 5th December, 1969.

2. Following a number of exchanges of views in the Political Committee, the International Staff drew up a draft text on the basis of various national contributions and contributions of the Economic Committee and of the International Military Staff. This text was examined by an Ad Hoc Group on the Mediterranean which met from 6th to 10th April under the chairmanship of Mr. Van Campen, and which reached agreement on the attached report.

3. This report is divided into three parts:

I. An overall review of the present political, military and economic situation.

II. Assessment.

III. Implications for the Alliance.

4. The Council will note that the report does not include Recommendations. After discussion, it was the feeling of the Ad Hoc Group that it is for the Council to decide whether, and, if so, what Recommendations should be added to the report when it is submitted to Ministers.

5. Certain figures given in this report and the attached charts will be brought up to date on the eve of the Council's discussion.

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NATO SECRET

THE SITUATION IN THE MEDITERRANEAN

1. In paragraph 6 of the Final Communiqué, following the meeting of the Council in Ministerial Session of December 1969, Ministers, reaffirming the value of full consultation among the Allies on the general situation in the Mediterranean area, "requested the Council in Permanent Session to pursue with the greatest attention its examination of the situation in the Mediterranean and to report to Ministers at their Spring Meeting".

2. It will be recalled that Ministers, in paragraph 8 of the Communiqué of Reykjavik, 1968, approved a report from the Permanent Council which dealt in detail with the situation in the Mediterranean and related defence problems(1). Subsequently, following a request of Ministers, the Secretary General submitted, on various occasions, a personal report on the developing situation in the area. The present report constitutes a further stage in the continuing review of the Mediterranean situation on the basis of the Council Assessment of June 1968.

3. The report is divided into three parts:

I. An overall review of the present political, military and economic situation.

II. Assessment.

III. Implications for the Alliance.

I. OVERALL REVIEW OF THE PRESENT POLITICAL, MILITARY AND ECONOMIC SITUATION

A. POLITICAL SITUATION

4. The Soviets continue to derive their major influence in the area from the assistance and support of various kinds they provide to several of the Arab States most directly engaged, militarily or politically, in the conflict with Israel. They also exploit, now as before, the rejection of and aversion to "Western Imperialism" in most Arab countries. Further, they exploit the economic and social backwardness of many countries in the area and their need for economic aid and technical advice. In this latter activity, the Eastern European countries continue to play a supporting rôle.

United Arab Republic and Syria

5. In countries like the United Arab Republic and Syria, where Soviet influence has been an established fact for some time, Moscow has maintained, and even in certain respects increased, its grip. Nevertheless, these countries have not become fully-fledged Soviet satellites. In fact, there are certain strains in their relations with the Soviets. The USSR has failed to provide them with either an acceptable political solution to the Arab-Israeli impasse or the military capability

(1) C-M(68)21, Part III, 13th June, 1968.

(S)M(70)12

to decide the contest by military means. In Syria, the Ba'ath régime has proven highly resistant to Soviet pressures on certain issues, for instance, to adopt a more positive position toward peace efforts on the Arab-Israeli problem.

6. The intensification of Israeli deep penetration raids in January occasioned new demands by the United Arab Republic, to which the USSR responded with additional air defence equipment consisting of surface-to-air missile systems (SA-3). The introduction of Soviet personnel to operate the SA-3s represents a higher level of Soviet participation in the protection of the United Arab Republic.

7. In present conditions, the United Arab Republic and, to a certain extent, Syria as well, will feel compelled to maintain close relations with Moscow. Soviet naval vessels regularly use facilities at Alexandria and Port Said. Similarly, in Syria, the Soviets enjoy the use of Syrian ports for bunkering, refuelling and repairs. It is doubtful whether, in case of East-West hostilities, either country would be in a position to oppose strong Soviet pressures to open their air and naval facilities to Soviet combatants.

Sudan

8. The new régime in the Sudan has increased its dependence on Soviet economic and military assistance and is developing closer ties with Egypt and Libya. The possibility of their country giving the Soviet Union access to its facilities cannot be excluded, and it is even probable that it will afford facilities to the United Arab Republic.

Libya

9. The new régime in Libya has not thus far initiated any significant moves towards the Soviet Union and has, indeed, rebuffed Soviet offers of military assistance. On the other hand, it has adopted an active pan-Arab attitude and has shown, in the Arab Summit Meeting at Rabat, 1969, that it holds extremist views in inter-Arab matters. It claims to be non-aligned as between East and West and maintains, for the moment, important economic ties with the West; however, there is no doubt that the evacuation of United Kingdom and United States military bases and the shift in Libyan foreign policy has damaged the West; and its increasing orientation towards the United Arab Republic, resulting in a strong Egyptian penetration in the country, creates the possibility of an indirect Soviet influence. There is also a possibility that the Libyans might, in future, be forced to look to the Communist world for arms supplies, especially if they adopt a more active policy towards the Arab-Israeli dispute.

Iraq, Saudi Arabia, Kuwait, Lebanon and Jordan

10. Soviet influence in Iraq has not grown appreciably in the period under review; nor is Moscow likely to gain a foothold in either Saudi Arabia or Kuwait - at least while the present régimes in these countries can maintain themselves. Recent developments in Lebanon and Jordan, however, must give cause for concern. Lebanon, having been forced to concede to the guerillas certain rights in the country, has become more directly involved in the Israeli-Arab conflict. The presence of the Fedayeen in Lebanon and their activities at the Israel border place great strains on the country's Moslem-Christian confessional balance. Internal tensions have increased; moreover, this evolution could lead to closer association with other Arab states and concomitant estrangement from its traditional Western sources of political support. Jordan remains basically pro-Western under King Hussein's leadership. However, the régime is not quite master in its own house. The various Fedayeen organizations constitute virtually a state within the state, although the recent power contest proved that the army and the tribes remain loyal to the King; and he may yet be able to reduce the hold of the Fedayeen. In both countries, there has been, since 1968, a marked increase in instability. This situation might facilitate Soviet penetration, of which, however, there is at present no significant evidence. Nevertheless, there have been some contacts between Jordan and the USSR about arms supplies. It is likely that Jordanian arms requirements can be met in the West. If this should not be the case, Jordan would be strongly tempted to accept arms from Communist sources.

The Maghreb

11. Soviet penetration efforts have by no means neglected the countries of the Maghreb (considerable military and economic aid to Algeria, including the recent official visit of Admiral Gorshkow, visit of Mr. Podgorny to Morocco in April 1969, and several Soviet offers to Tunisia). However, these efforts have met recently with increasingly important obstacles. In Algeria, where the Egyptian penetration of Libya has not gone unnoticed, Colonel Boumedienne is obviously determined to avoid involvement in the East-West confrontation and has made various moves to diversify the country's relations in various directions. It remains doubtful that Algeria will make available the use of military facilities to the Soviets. The same can be said of Morocco, which is likely to maintain its pro-Western orientation. Tunisia continues to view Russian overtures with the greatest reserve.

12. Moreover, with the signing of bilateral agreements between Algeria and Morocco and Tunisia, and the laying aside of border disputes, a new phase in the relations between the Maghreb countries seems to have been reached. As a result, the three countries have been observed to adopt certain common attitudes as, for example, on the occasion of the 1969 Arab Summit Meeting at Rabat. Despite uncertainties about the

future of the régimes in question, particularly in Tunisia, this trend is likely to increase stability in the Western Mediterranean area; it may, therefore, be considered to be in line with Western interests. For Algeria, as for Morocco and Tunisia, national and regional interests appear to outweigh all other considerations for the moment. In so far as this situation is confirmed, a growing feeling of solidarity between the countries of the Maghreb may lead them to adopt a somewhat reserved attitude towards the Arab countries most involved in the struggle against Israel. Nevertheless, it would be wrong to underestimate the emotional impact of the Middle East conflict on the three Maghreb countries, whose support for the Palestinian cause has never wavered.

13. Thus, to summarise the above data on the course of Soviet penetration efforts in Arab countries, it might be said that Moscow has, on balance, increased its influence in the Near East; that new areas of instability have appeared in Libya, Lebanon and Jordan, with the potential danger of future Soviet penetration; and that these events are partly balanced by a new trend in Algeria and in the Maghreb as a whole.

Israel

14. The situation in Israel is obviously dominated by the Middle East conflict. The search for security has become the primary aim of Israeli policy. Consequently, Israel is strongly drawn towards the West, where she can obtain the weapons she needs for her defence - especially aircraft. Israel is also speeding up her efforts to meet her own military requirements. Moreover, she is greatly concerned by the continued deliveries of Soviet arms to her main enemies, in particular the United Arab Republic and Syria. However, her good relations with a large number of Third World countries, and her wish not to appear unconditionally bound to the West, are likely to induce her to adopt an attitude of relative and cautious non-commitment in areas where she is left any choice by the overriding demands of the war.

Yugoslavia and Albania

15. While there has been no substantial change in the political positions of either Yugoslavia or Albania as compared to the situation of 1968, vis-à-vis the Soviet naval presence and political influence in the Mediterranean, certain factors have emerged since 1968 which may have a bearing on the future positions of these countries. There is the increasing age of President Tito and the inevitable interest this evokes among the political forces in Yugoslavia. While the forces for the continuation of a Titoist policy predominate, there is a pro-Soviet element in the country, and Soviet capability of applying pressure in a possible succession crisis cannot be ignored. There is also a certain evolution in Albania. Tirana has made a series of overtures to improve

its relations with its neighbours, both Eastern and Western, and has given indications of wishing to normalise relations with other Western countries. The reasons for this are unclear, but seem to be related to Albania's desire to break out of its isolation in order to meet its needs for economic development and improve its security. The Soviet Union has also made some overtures for improving relations in view of the perceptible diminution in the warmth of Chinese-Albanian relations.

Spain

16. After the governmental changes in Spain last year, there has been an important development in Spanish European policies. The Government has made more evident Spain's determination to emerge from its isolation and play its full part in the evolving arrangements and relationships in Europe. The main manifestations of this policy are its expressed desire to become a full member of the European Common Market and the building up of its relations with the Common Market countries as well as others. Another aspect of this policy can be seen in the overtures made by Spain to the Soviet Union and other countries of Eastern Europe. These moves should be seen in the light of Spain's desire to play its part in the current European scene, which includes a certain multiplication of relations between East and West. Spain's security arrangements are, however, firmly linked to those of the West, and the overtures to Eastern Europe are not likely to be of any great value to Soviet Mediterranean interests in the foreseeable future.

Cyprus

17. The situation has not changed as compared with the Council assessment of 1968.

Malta

18. Malta is the only non-Alliance state which has sought and established a certain relationship with the Alliance under the Council Resolution of 1965. However, Malta is disappointed with the results of this relationship to date, and has adopted a somewhat passive attitude toward the Malta-NATO link. The Allies have not reached agreement on how to proceed regarding assistance to Malta. After the forthcoming Elections, which must occur in the first half of 1971 or earlier, the country might well adopt a different foreign policy and not continue the present NATO Headquarters in the Island. Since mid-1969, the USSR has been attempting to build respectability in Malta through tourism, port calls and limited use of the dockyard by merchant ships, commercial and cultural exchanges and propaganda. The risk of more dangerous forms of Soviet penetration might considerably increase after the coming Elections.

19. Given Malta's dominant position in the central Mediterranean, any Maltese decision to terminate the NATO presence would obviously be a serious matter. Soviet access to Maltese facilities would confront the Allies with a graver problem. The consequences would be most serious strategically if Malta went so far as to make airfield or naval facilities available to the Soviet Union on a regular basis. Apart from such defence considerations, this would represent a serious psychological blow to the Alliance's position. The United Kingdom-Malta Defence Agreement, however, gives the United Kingdom the prerogative of refusing to military forces of non-NATO countries access to Malta's facilities. The maintenance in full effect of the Defence Agreement, which runs through 1974, would provide a large measure of reassurance that, in terms of NATO interests in the Mediterranean, untoward developments would not occur in Malta in the nearest future. It is, however, uncertain whether the Defence Agreement would, in fact, survive in its present form after the coming Elections.

B. MILITARY SITUATION

20. The quantitative strength of the Soviet Mediterranean Squadron has shown, in the period under review, considerable fluctuations, but it should be noted that these operate on a generally higher level than before 1968. There has been a significant qualitative improvement and, in addition to repeated appearances of the Moskva helicopter carrier and, recently, of the second helicopter carrier Leningrad, an increase in submarines, surface ships and logistics units, backed up by equally improved logistic facilities in Arab countries(1). The Soviet presence reached a peak during exercises in August-September 1969, whose nature and scale were unprecedented and probably indicate a new trend in Soviet naval operations in the Mediterranean theatre.

21. The primary threat to NATO naval units stems from the Soviet squadron's attack and missile submarines now averaging nine units, rising, on occasion, to almost double that number, and from its surface-to-surface missile firing ships. In addition, surface-to-air missile armed ships have a dual capability against aircraft and surface vessels.

22. The Soviet squadron has improved its ASW, amphibious and logistics capabilities with frequent exercises. Still, its small amphibious force, which includes possibly 300-500 naval infantry, has a limited intervention capability which could not seriously threaten NATO territory. It should be borne in mind that the Black Sea or other Soviet fleets could provide additional and logistic support to the Mediterranean squadron, at least in a situation short of actual hostilities.

(1) See attached charts.

23. Since 1968, there has been intense Soviet hydrographic activity, mainly in the Gibraltar and Sicilian Narrows. This, together with the appearance of the Moskva and the Leningrad, indicates their keen interest in anti-submarine warfare.

24. Lack of air cover continues to be a weak point of the Soviet naval presence in the area. However, medium bombers of the Black Sea fleet have the range to attack NATO naval forces in the Eastern Mediterranean and, if they succeed in penetrating, their air-to-surface missiles could inflict serious damage on NATO ships. In addition, Arab countries hold more modern combat aircraft than they themselves can man. In time of crisis, the possibility of Soviet advisers in Arab countries manning these aircraft cannot be excluded. Indeed, some evidence already exists of this intention, such as the Soviet use, since 1968, of UAR-marked reconnaissance aircraft to survey NATO fleet units. Nor should the possibility of the Soviets deploying their own aircraft and crews to Arab airfields in times of crisis be altogether dismissed.

25. Prior to recent developments with respect to the stationing of SA-3 missiles in the United Arab Republic, the Soviets had provided at least 6,000 military advisers, technicians and instructors in the Mediterranean area, and it is estimated that over 10,000 Arabs have received specialist military training in the USSR, Eastern European countries and China. Evidence suggests that at least 1,500 Soviet military personnel may have arrived in the United Arab Republic to install and man SA-3 missiles. In the United Arab Republic, the Soviet military advisers occupy key advisory positions at or near Command levels and are stationed with units down to battalion or squadron level. They may, under certain conditions, constitute the hard core of a build-up of Soviet forces in the Mediterranean area. As already mentioned, they might also, in certain eventualities, man military equipment, including aircraft and naval units now in Egyptian and Syrian hands.

26. As pointed out on previous occasions, the Soviets have made "facilities arrangements" with Egypt (and Syria) which allow the Soviet naval squadron to make regular use of repair facilities in Alexandria and of storage facilities there and in Port Said. These "facilities" are not formal bases for the Soviets, but both surface units and submarines are supplied and repaired by Soviet tenders which remain on station in Alexandria. Thus they provide support services much like actual bases. Available figures indicate a steadily increased Soviet use of these facilities. The Soviet Mediterranean Squadron also makes use of several naval anchorages, mostly in international waters, for refuelling and re-supply.

27. The above data refer to the various elements which, together, constitute the Soviet military capability in the Mediterranean proper; and its significance will be assessed in Part II of the present paper. Whatever this assessment, this capability obviously cannot be dissociated from the Soviet capability facing the Southern Region of the Alliance. While strictly speaking outside the Terms of Reference of this paper, the latter capability is relevant to our subject matter in so far as it may play, in case of a local conflict in the Mediterranean, a supporting rôle to Soviet naval action. Conversely, in case of general hostilities, Soviet naval action in the Mediterranean would constitute, in addition to the main land-based threat against the Southern Region, a second threat from the South.

28. Accordingly, it may be argued that an increase in Soviet forces facing the Southern Region would, ipso facto, increase the significance of the Soviet naval threat in the Mediterranean even if the Soviet squadron would quantitatively and qualitatively remain at the same level. For this reason, the assessment of the situation in the Mediterranean should take into account the following considerations, which are based on document MC 161(69):

Strategic rocket troops

Intermediate range ballistic missiles (IRBMs), the majority of which are deployed in the Western part of the USSR, can reach any target in the Mediterranean basin, including North Africa and the Middle East. As for medium-range ballistic missiles (MRBMs), the majority of which are also deployed in the Western part of the USSR, they are capable, at least in most cases, of reaching the NATO countries bordering on the Mediterranean.

Air Forces

Within reach of NATO's Southern Flank, the Warsaw Pact has at its permanent disposal strong air forces in the shape of medium bombers, fighters, ground support aircraft, aircraft belonging to the Black Sea Naval Air Force as well as a considerable air lift capability. Moreover, all these forces can be appreciably increased within a very short time owing to the operational flexibility and speedy redeployment capability which is characteristic of them.

Ground Forces

In addition to the threat represented by the strategic missile forces, the air forces mentioned above and the Soviet Mediterranean Fleet, there is the threat to NATO's Southern Flank of the Warsaw Pact divisions stationed in Hungary, Bulgaria, Rumania, and in the

South-West and South of the USSR, totalling approximately 50 divisions, which could be reinforced by all or part of the Soviet Strategic Reserve stationed in the military districts of Moscow and Kiev amounting to approximately 15 divisions.

The Black Sea Fleet

With regard to the threat from the Black Sea, the Soviet Black Sea Fleet, whose size is clearly superior to that necessary for control of this sea, is designed to carry out simultaneously the following missions:

- to maintain the naval and naval air supremacy of the Soviet Union in the Black Sea;
- to ensure support for land operations against Western and Eastern Turkey from that sea;
- to provide most of the units composing the Soviet Mediterranean Squadron, thereby ensuring, among other things, support for land operations against Greece and Turkey.

C. ECONOMIC SITUATION

29. The countries situated in the South East of the Mediterranean directly implicated in the Israeli-Arab conflict devote considerable human, financial and material resources to their defence. This situation adds to the trouble being experienced by the Lebanese and Egyptian economies already adversely affected by the aftermath of the Six Day War. The substantial economic expansion enjoyed by Israel over the last two years could be undermined by the sacrifices arising out of the conflict with its Arab neighbours. Any increase in tension and in the virulence of hostilities could not fail to slow down economic development in all the countries concerned, and in some cases might even trigger off a recession.

30. Libya draws almost all of its resources from petroleum; since the coup of 1st September, 1969, production has levelled off and Libya's economic development might be slowed down. The Algerian economy, whose future expansion depends on mining and petroleum resources, has been developing favourably since 1967. In Tunisia and Morocco, where agriculture plays a significant rôle, economic activity has been seriously influenced by the harvest results. The tourist industry and mining resources contribute to the development of both these countries. In the case of Tunisia, recent success in petroleum prospecting could be a further asset in the future.

31. As regards economic aid to the area, the West remains far and away the chief provider of funds. However, during the last few years Western aid to the region has diminished, the fall-off being particularly marked in the case of the United Arab Republic. This conclusion applies even more to the new aid commitments by the Communist countries which dropped from \$356.7 million in 1965, to \$236.5 million in 1966, \$112.6 million in 1967 and \$76.2 million in 1968. This aid remains an important adjunct to the development effort of the United Arab Republic and has practically replaced that of the West in Syria and Iraq. At the end of 1968, the total aid drawn by these three countries amounted to some 28% of all aid from Communist countries actually drawn by the Third World, whereas the proportion of this aid drawn by Morocco, Algeria and Tunisia was only 2.2%. For the same political reasons that have always been behind Soviet aid, it is highly likely that in the foreseeable future the Soviet Union will continue to give large-scale assistance to the three main recipients of its aid in the area, as well as to certain other countries in the Southern part of the Mediterranean, whereas for some time now it has been very reserved and discriminating in dispensing aid elsewhere.

32. Although the significance of Soviet assistance in building the Aswan high dam for the development of Soviet-United Arab Republic relations should not be underestimated, it is not so much through its economic aid - the immediate political propaganda returns of which are fairly limited - as through its military aid that the USSR has acquired a privileged position in the United Arab Republic, Syria and Iraq and extended its influence in Algeria. It is significant that total military aid (\$3,095 million), which went up by one-fifth between the end of 1966 and 1968(1), roughly equals the economic aid granted to the area (\$3,068 million) and exceeds that actually drawn by it (\$1,315.5 million, i.e. 42.5% of military aid). Arms deliveries create vis-à-vis the USSR ties of dependence owing to the need for spares and ammunition.

33. As regards foreign trade, the Communist countries have sometimes provided good outlets for certain agricultural products from the area - cotton, dried fruit, tobacco, wine - which are difficult to dispose of on Western markets. At present, they are the main trading partners of the United Arab Republic and Syria, whose trade with them has greatly increased owing to the combined effects of economic and military aid, as well as the need to repay the credits received in this connection.

(1) In this connection, it must be borne in mind that, as a result of the June 1967 conflict, much of the equipment and weapons of the Egyptian forces had to be replaced by the USSR on terms which remain obscure.

34. However, Western nations, particularly those of the Common Market, play a very important rôle in the area; even in the United Arab Republic and in Syria they play a far from negligible part in those countries' foreign trade. All the countries in the area want to step up their trade with the West in order to increase their convertible currency earnings and, in certain cases, to balance Soviet influence.

35. As regards their petroleum supplies, the Western European nations depend to a substantial extent on oil from Libya, Algeria and Iraq, where they obtained about 45% of their crude oil imports in 1968. It does not seem that in the foreseeable future the Eastern countries, and in particular the USSR, could be an alternative either to the West as purchasers of North African and Middle East oil or to the foreign concession-holding firms as main producers of this product. However, Communist countries almost certainly will, over the next ten years, buy larger quantities of petroleum than hitherto from nationally owned companies in the oil-producing countries. Russian advisers and technicians are operating in certain producer countries; it does not appear that their presence, except, perhaps, in Iraq, has so far influenced the oil policy of these countries. The latter, hostile in principle to any outside attempt to control their activities in this sphere, are well aware that in any case their safest outlets and their largest source of convertible currencies are the Western industrialised countries.

36. Nevertheless, oil supplies to Western countries could be affected by a renewal of hostilities in the Middle East and by tensions throughout the area. In 1967, the Six Day War led to a selective boycott by the Arab countries of certain Western countries to which supplies of oil were cut off for some time. Simultaneously, the flow of oil through the pipelines of Tapline and IPC was interrupted. There is nothing to prevent a recurrence of this situation. Furthermore, it is not impossible that, for essentially commercial reasons, trouble may occur in future between, on the one hand, certain producing countries in the area and, on the other hand, foreign concession-holding companies or oil-importing companies. If the result were to be difficulties, or even an interruption in the supplies of this fuel, the economic and financial interests of the consumer countries might suffer.

II: ASSESSMENT

37. The expanding Soviet position in the Mediterranean should be seen as an integral part of the Soviet policy of world-wide assertion of influence and presence, on the basis of growing military (strategic, conventional, and, above all,

naval) capability. There is no evidence that there has been any change, in the period under review, in the specific Soviet objectives in the Mediterranean region, as defined in the Council assessment of 1968; in sum, these are:

- (1) to gain greater political influence in the area, reducing, and eventually eliminating, that of the West;
- (2) by maintaining a significant military force in the area, to:
 - (a) further the political aims noted in (1) above, and limit Western policy options;
 - (b) improve their strategic position;
 - (c) disrupt or neutralise NATO defence arrangements;
- (3) to increase Soviet economic influence and access and reduce that of the West.

38. Similarly, Moscow continues to employ a variety of means to attain these ends; they run the now traditional gamut of arms deliveries, provision of numerous military advisers and technicians, political support for those states that need and desire it, and economic aid - all backed up by the Soviet Naval presence in the Mediterranean.

39. As before, the Soviets have used these instruments as opportunities have arisen. The Arab-Israeli confrontation remains the significant but not the only factor in the situation facilitating the entrance of Soviet power into the area. This state of affairs is likely to persist in the near and medium term future.

40. Soviet leaders see the area as a strategic military zone. In hostile hands, the area could (and has in the past) pose a threat to the USSR and block Soviet entrance to the Mediterranean. In friendly hands, it protects the USSR's South-Western border; and Moscow is able to move its influence into the Mediterranean basin and beyond. Politically, the Soviet leaders believe that the Middle East and Mediterranean area has become one of the main arenas of the Soviet struggle with the West, and they evidently hope eventually to establish their own predominance in the whole region.

41. However, in pursuing their objectives in the Mediterranean, the Soviet leaders must also take account of their main concerns elsewhere, including, for example, their interests and problems in Eastern and Central Europe, their conflict with Communist China and their overall relationship

with the West. While, in the period under review, Soviet leaders have, wherever possible, developed their positions, they have refrained from adventurist action; and developments of the last two years tend to confirm the Council's assessment of 1968 that, for Moscow, the preservation of its position in the Mediterranean would not be worth the serious risk of general war with NATO. It, therefore, seems reasonable to assume, as in 1968, that the Soviets will not push their expansionist policy into the Mediterranean beyond that critical line which they judge would make a direct military confrontation with the West probable or inevitable.

42. In addition, a number of factors, limiting Soviet opportunities and listed in previous reports, is still operative. For example, Arab nationalism and suspicion breeds resistance to Soviet intrusion or attempts at control. The régimes that are friendly to Moscow are often rivals of each other, and many of their economic problems do not yield readily to Soviet aid programmes and technical assistance.

43. Whether because of these or other factors, developments of the last two years show that the Soviets' progress in expanding their influence has been uneven in the area as a whole. They have - in the military and economic, rather than in the political, field - tightened their grip in the United Arab Republic and Syria and extended their influence in the Sudan. No Arab state, however, can be regarded as a Soviet satellite in the strict sense of the word. In Libya, their gain consists, at least for the time being, in the damage suffered by the West rather than in any positive and direct advantage to themselves; and recent developments in the Maghreb seem, from the Soviet point of view, not wholly encouraging.

44. However, from the Western point of view, even if admitting that Western losses are not necessarily Soviet gains, the fact remains that, in the period under review, Western positions have shown further erosion, as illustrated by the shift in Libya's position and the emergence of new or increased instability in Lebanon and Jordan.

45. At this point, it is expedient to discuss the rôle of the Arab-Israeli confrontation in Russian penetration efforts. In the period under review, and in spite of the Four Power contacts, and in particular the conversations between Moscow and Washington, no decisive progress has been registered towards reaching a peaceful settlement between the parties in the conflict. Divergent views on the implementation of the Resolution of the Security Council of 22nd November, 1967 have not been substantially reconciled.

On the other hand, military activities have increased. The recent severity of border clashes between Israel and the United Arab Republic has made the latter all the more dependent upon Soviet arms and military advisers. Fedayeen activities have an increasing impact on the policies of the Arab governments concerned, and have pushed them into a more aggressive military posture. These activities lead to severe Israeli retaliations and more Arab requests for Soviet military aid and succour; and the situation has most recently been exacerbated by the supply of SA-3 missiles to the United Arab Republic.

46. This situation presents the Soviets with a problem which, in many ways, illustrates both the possibilities and limitations of Soviet expansion in this area. On the one hand, the continuing and even increasing state of tension and limited military conflict definitely facilitates Soviet penetration, as shown by developments in the United Arab Republic, Syria, Jordan and Lebanon. (The recent evolution in Libya, on the other hand, is not only attributable to the Israeli-Arab confrontation but also illustrates the impact of other anti-Western factors in the area.) The guerillas' increasingly political (rather than military) importance is equally a consequence of the continuing conflict. Recently, the Russians have had to start paying serious attention to the Fedayeen, as the Communist Chinese have been doing for some time.

47. On the other hand, and particularly in the case of the United Arab Republic, the régime's increasing reliance upon the Soviets, combined with the feckless Egyptian performance in the face of Israeli military escalation, presents Moscow with unpalatable policy alternatives. If Moscow fails to provide the country with either an acceptable political solution to the Arab-Israeli impasse or the military capability to decide the contest by force, Soviet prestige may suffer, President Nasser's position may be endangered, and a long-term risk might develop to the whole edifice of Soviet power and influence in the Near East. Alternatively, if the Soviets were to engage themselves more deeply in support of the Egyptians, this would tend to sharpen the Middle Eastern conflict and to reduce still further the chances of a political settlement; and, if the Soviets were openly to engage their own personnel in the fighting, there would be a considerably increased risk of an East-West confrontation in the area, which Moscow does not desire. It has often been supposed that the Russian objective in the Middle East is neither peace nor war but a state of "controlled tension" as most suitable for consolidating and extending their influence in the Eastern Mediterranean. However, such a state of controlled tension presupposes a degree of Soviet control which Moscow does not completely possess. Herein lies the dilemma of Soviet penetration in the Eastern Mediterranean.

48. The Soviet Union has had at its command a powerful military capability against the entire Mediterranean basin ever since it acquired a large, medium and intermediate range ballistic missile force in the early 1960s. The increased Soviet naval presence in the area in recent years has, no doubt, augmented this general threat against NATO's Southern Flank as a whole.

Disputes involving less than East-West hostilities

49. If we limit discussion to the Soviet Mediterranean Squadron in itself, and to disputes involving less than East-West hostilities, the Squadron's significance still appears, as in 1968, to be more political than strictly military. Politically, it serves as a constant reminder that the Soviet Union is not just a remote power but that it has a flexible military instrument in the area which can be used for political persuasion. The Squadron, moreover, imposes subtle restraints on the exercise of Western naval and air power in the Mediterranean.

50. Militarily, it is felt that the existing Soviet naval presence in the Mediterranean, although quantitatively and qualitatively in better shape than in 1968, does not constitute an unmanageable threat to security of the West in the area. Indeed, the military significance of the Soviet Squadron should not be measured in terms of numbers (in which it is considerably inferior to NATO naval forces) nor of its ability to survive in war (it is lacking in fighter cover and weak in air reconnaissance). The Squadron, however, does constitute, in addition to being a threat to the lines of supply and reinforcement to Greece and Turkey, a flexible military instrument which gives the Soviet Union greater possibilities for limited military action (thus increasing the danger of East-West confrontation). In this context, it is recalled that the Squadron's limited amphibious capability includes 300-500 naval infantry only. Of course, the Soviets could move in a larger force by air from the USSR, but this would entail delicate over-flight problems and Soviet leaders might hesitate to go that far.

The Case of East-West Hostilities

51. In the case of a general East-West conflict, Soviet military capability against Northern Italy, Greece, Western and Eastern Turkey would be very strong indeed. In the Mediterranean proper, the Soviets' main concern might be to disrupt Western nuclear strikes against the homeland. Recalling that Soviet naval power first appeared in the Mediterranean as a counter to the United States Sixth Fleet, it is worth noting that the Soviet missile armed surface vessels and submarines have demonstrated a capability of being deployed within the range of the major units of the Sixth Fleet, particularly its carriers. Indeed, the military significance of the Soviet Squadron would lie in the

effectiveness of its weapon threat, particularly that posed by its submarines. The Soviets would probably seek to attack Western naval forces and, in particular, Western aircraft carriers. Though NATO air and naval forces should be able rapidly to neutralise Soviet surface ships, the threat of Soviet submarines, both against naval forces and lines of communication, is a very real one and should not be underrated.

52. There would appear to be little danger of Soviet occupation of the territory of Allied countries from the direction of the Mediterranean Sea, unless the Warsaw Pact forces had seized and cleared the Turkish Straits and established air superiority in the area.

53. There has not been any fundamental change in the economic position of the Western countries in the area since 1968. One should note the increasing links between a number of Mediterranean countries and the EEC. The Communist countries have strengthened their presence, particularly in certain countries where they have been active for quite some time. It seems that, despite present ups and downs, the West retains some important trading advantages in the area; its essential economic interests, and, in particular, access to the large petroleum resources in this part of the world, are not immediately endangered. Nevertheless, it is to be expected that the area's trade with the Communist countries will continue and may, indeed, increase still further.

III: IMPLICATIONS FOR THE ALLIANCE

54. All the Alliance interests in the area (which remain as stated in paragraph 33 of the June 1968 Assessment of the Council in Permanent Session) are unfavourably affected by Moscow's continuing penetration into the Mediterranean area.

55. In spite of a fluctuating degree of success in the past two years, the Soviets must be assumed to continue their activities in the future, making use of all available opportunities.

56. The continuing absence of an enduring and equitable settlement of the Arab-Israeli conflict is not in the interests of the Alliance, first because increased Soviet military involvement entails a somewhat greater risk of confrontation with the West, and second because the ramifications of this conflict facilitate further Soviet penetration efforts, thus weakening Western positions.

57. The Soviet Union might find new occasions of jeopardising Western positions by exploiting the opposition of most Arab countries to "Western Imperialism" as well as the economic and social backwardness of many countries in the area.

58. The Soviet naval capability has improved during the last two years. Under present circumstances, it continues to have a political more than an offensive military significance. In itself, the Soviet Squadron does not constitute an unmanageable military threat to the West's security in the Mediterranean; but it has the capability to inflict damage on NATO naval forces and Western nuclear strike capability in the area; it is also a threat to the lines of supply and reinforcement to Greece and Turkey. Allied air and naval forces in the area continue to have superiority; however, in certain eventualities, the Soviets might man military equipment, including aircraft and naval units now in Egyptian or Syrian hands; and were the Soviet Union, in addition, to acquire the use of naval and/or air facilities in the countries of the North African littoral, the Allied superiority might be challenged.

59. The Soviet military forces now available in the area might increase Moscow's temptation, under certain circumstances, to take local action of a military nature, with concomitant dangers of miscalculation and escalation. At the same time, and despite the overall Allied military superiority in the Mediterranean, the growing Soviet military capability places additional limits on Western policy options.

60. The USSR might be tempted to take advantage of the political influence it could acquire in certain oil producing countries in the area to undermine the interests of Allied countries. In practice, however, any substantial and prolonged Soviet interference with Western Europe's petroleum supply would be very difficult to achieve in view of the general resistance of oil-producing countries to outside attempts of control or domination and the importance of Western oil revenues to their economies.

61. On the other hand, oil supplies to Western countries could be temporarily affected by heightened tensions in the area. It is also possible that, for essentially commercial reasons, in the future conflicts may arise between certain producer-countries in the area and foreign concession-holding or importing companies. Such developments might in some circumstances cause the interruption of the supply of petroleum, and the economic and financial interests of the consumer countries might thereby suffer.

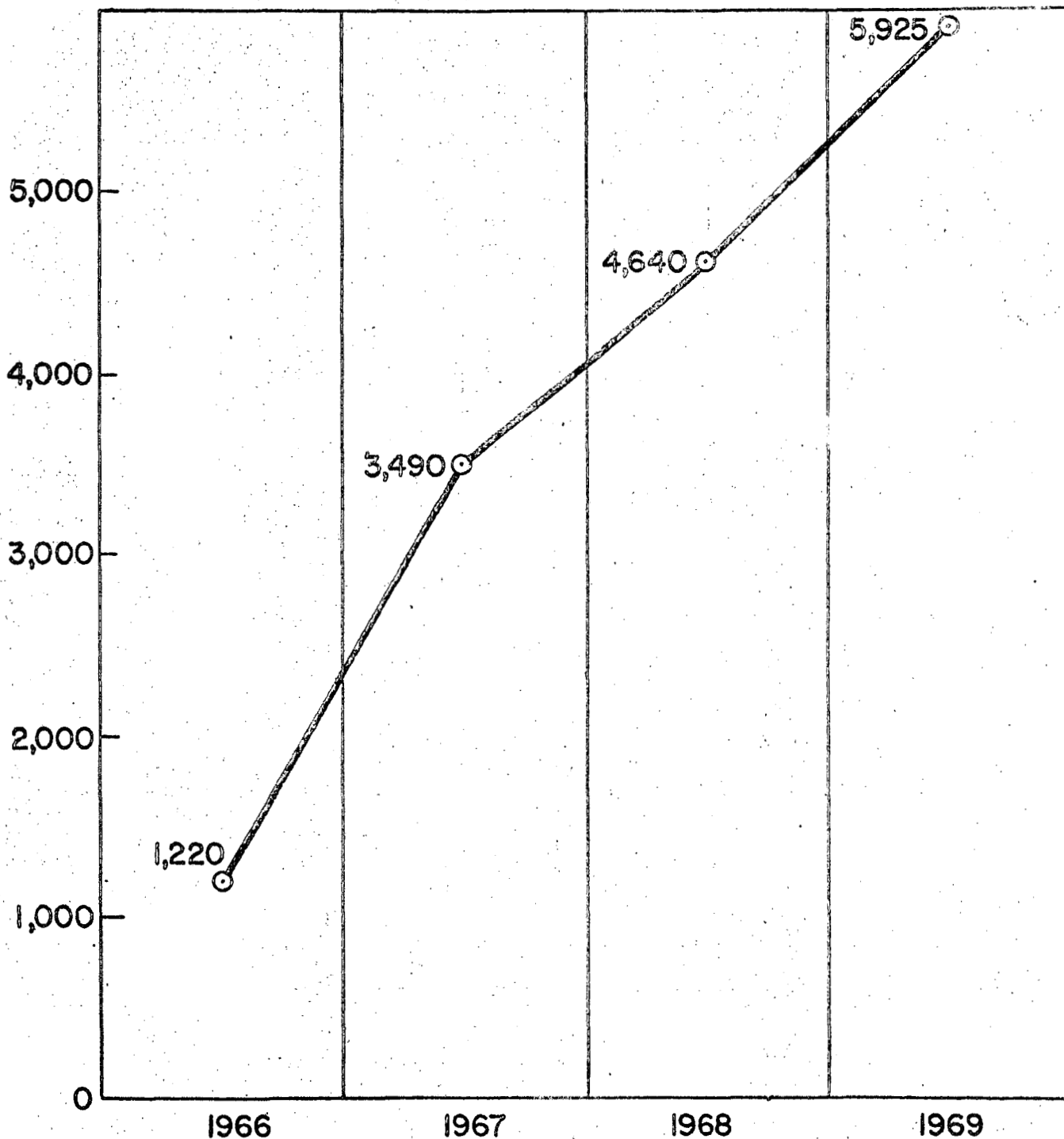
GENERAL CONCLUSIONS

62. The Soviets have improved their position in the Mediterranean during the recent past, and there is an upward trend of Soviet influence and power in the area. While this does not yet constitute an unmanageable threat to the security of the Alliance, there is a danger that continued USSR political successes could seriously jeopardise the interests of the Allies and place additional limits on Western policy options.

GRAPH A - GRAPHIQUE A

SOVIET SUBMARINES/DAYS PRESENCE IN THE MEDITERRANEAN
JOURS DE PRESENCE DES SOUS-MARINS SOVIETIQUES EN MEDITERRANEE

Sous-marins/Jours
Submarines/Days

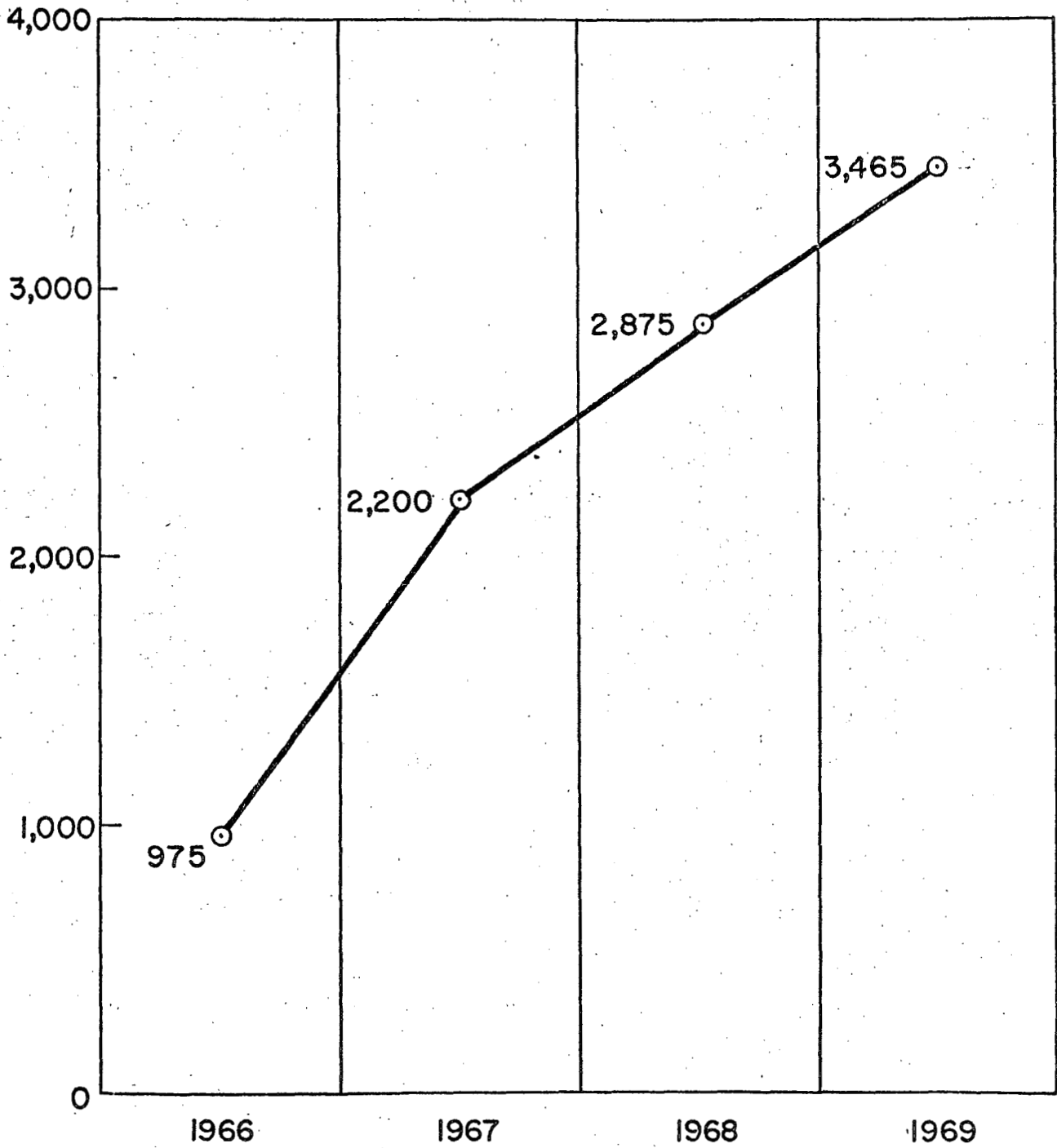


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GRAPH B - GRAPHIQUE B

SOVIET COMBAT VESSELS/DAYS PRESENCE IN THE MEDITERRANEAN
JOURS DE PRESENCE DES NAVIRES DE COMBAT SOVIETIQUES EN MEDITERRANEE

Navires de Combat/Jours
Combat Vessels/Days



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GRAPH C - GRAPHIQUE C

SOVIET COMBATANT VESSELS AND SUBMARINES
AVERAGE MONTHLY PRESENCE IN THE MEDITERRANEAN

PRESENCE MENSUELLE MOYENNE DES NAVIRES DE COMBAT ET
DES SOUS-MARINS SOVIETIQUES EN MEDITERRANEE

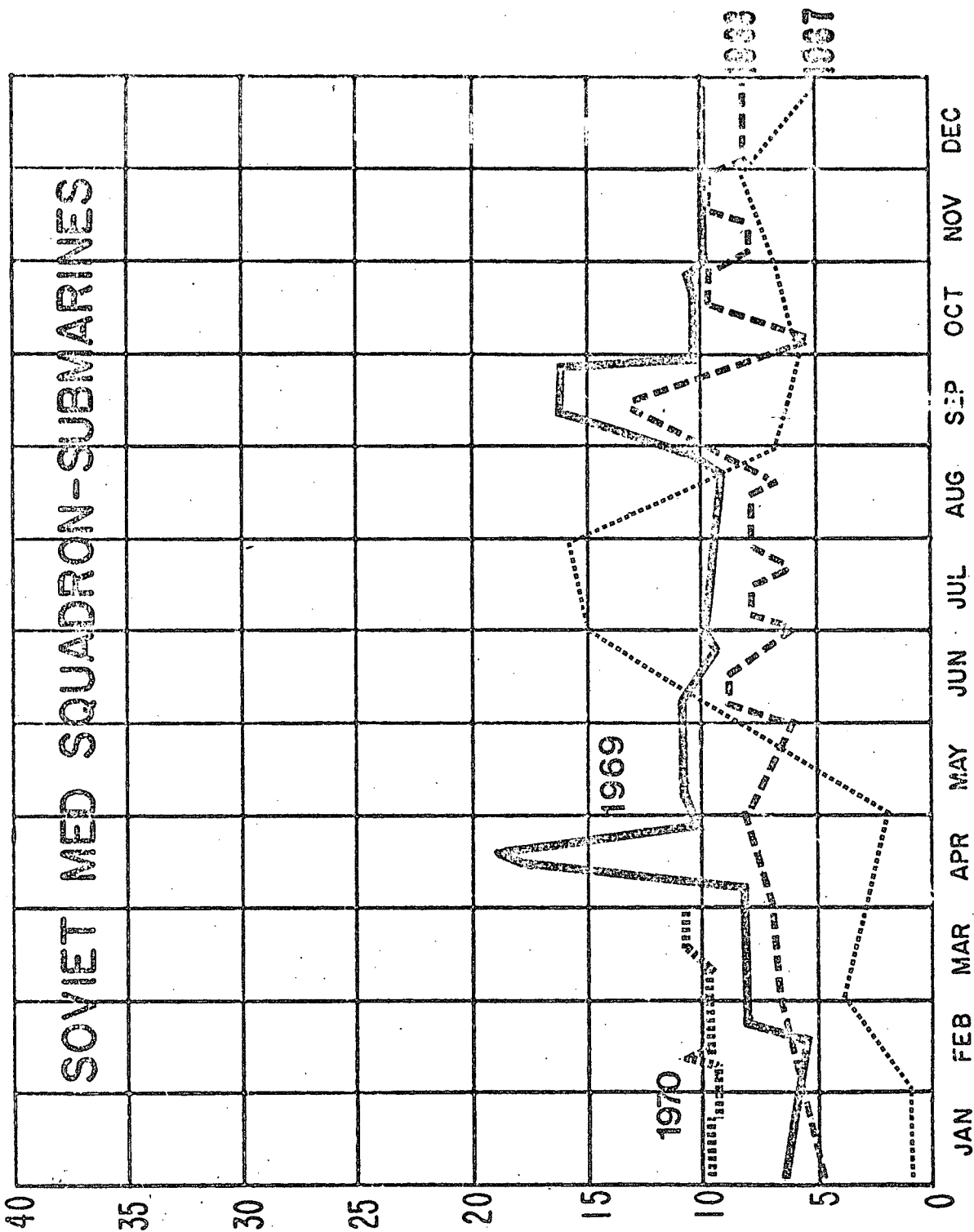
TYPE OF SHIP TYPE DE NAVIRE	1968	1969
COMBATANT NAVIRES DE COMBAT	12	16
SUBMARINES SOUS-MARINS	8	9

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GRAPH 17 - GRAPHIQUE 17

ESCADRE SOVIETIQUE DE MEDITERRANEE - SOUS-MARINS

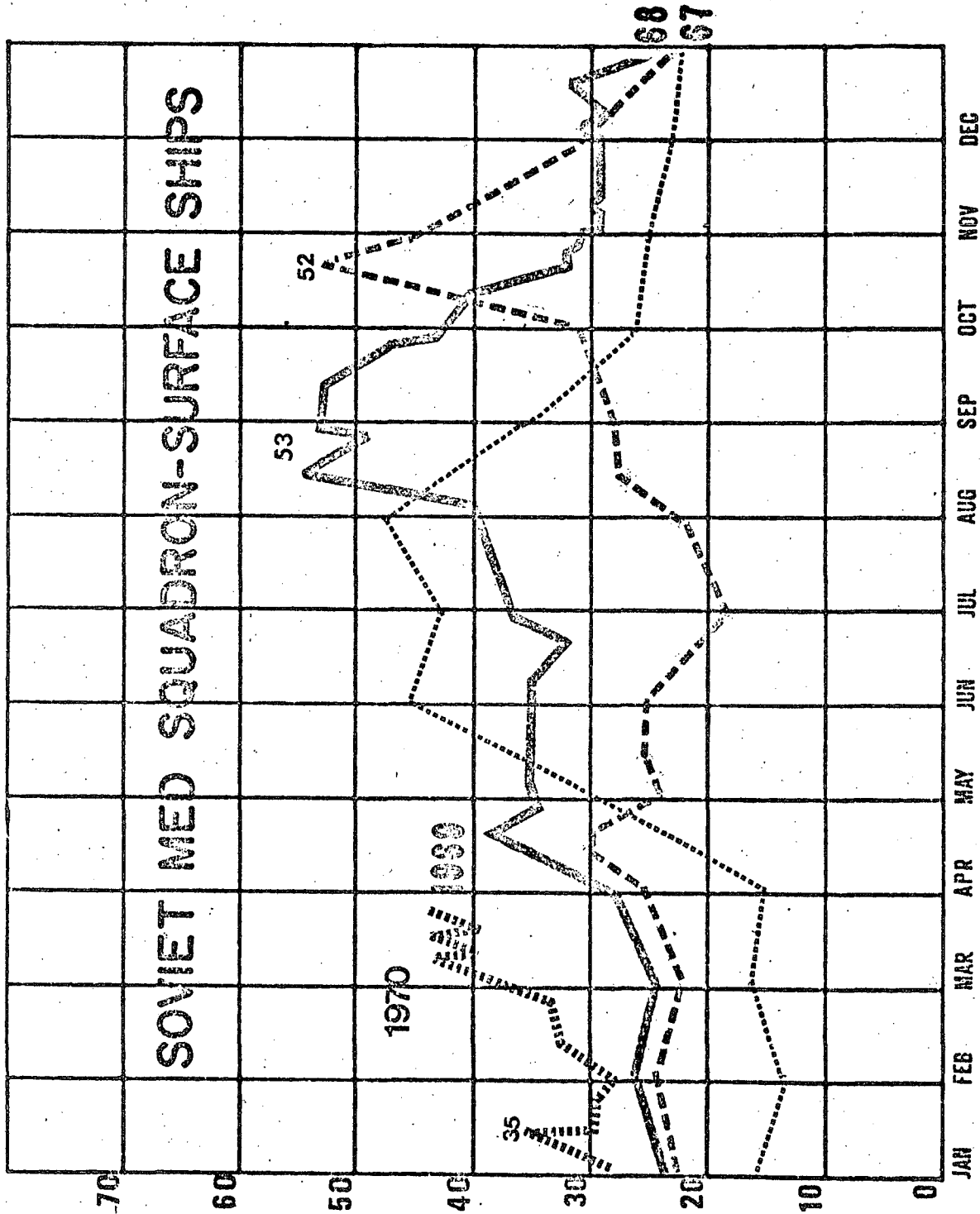


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GRAPH E - GRAPHIQUE E

ESCADRE SOVIETIQUE DE MEDITERRANEE - NAVIRES DE SURFACE



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