SUBJ: IMPLICATIONS FOR US POLICY OF THE SOMALI THREAT TO ETHIOPIA

1. THIS TELEGRAM, WHICH SUMMARIZES AN AIRGRAM THAT WE EXPECT TO POUCH ON JANUARY 25, HAS BEEN APPROVED BY THE COUNTRY TEAM BUT ITS RECOMMENDATIONS ARE SUBJECT TO THE CONCURRENCE OF AMBASSADOR ADAIR, CURRENTLY IN WASHINGTON. ITS GIST IS THAT WE BELIEVE THE US SHOULD TAKE IMMEDIATE STEPS TO ASSIST ETHIOPIA IN THE LIGHT OF THE GROWING SOMALI MILITARY THREAT, THE MOST IMPORTANT OF THESE BEING THE TOTAL ELIMINATION OF THE $3 MILLION SHORTFALL IN US MILITARY ASSISTANCE WHICH PRESENTLY APPEARS LIKELY FOR FY 73, AND OF ANY PROSPECTIVE SHORTFALL IN FY 74.

2. OVER THE LAST YEAR ETHIOPIAN CONCERN OVER POSSIBLE SOMALI AGGRESSION IN THE FUTURE HAS GREATLY INCREASED. THE CONSIDERABLY INCREASED STRIDENCY OF SOMALI TERRITORIAL DEMANDS; THE OMINOUS
LACK OF SOMALI INTEREST IN MEASURES TO IMPROVE RELATIONS: THE EXPLICIT THREAT OF PRESIDENT SIAD TO USE FORCE IF PEACEFUL TACTICS FAIL: THE REALIZATION THAT A RAISE IN STAKES MAY SOON OCCUR IF OIL IS DISCOVERED IN COMMERCIAL QUANTITIES: THE NEW FEAR THAT THE SOVIETS WILL GO VERY FAR TO SATISFY SOMALI ARMS REQUESTS IN ORDER TO FORESTALL ANOTHER EGYPTIAN-STYLE OUSTER: DEVELOPMENTS SUGGESTING THE POSSIBILITY OF GREATER EXTERNAL SUPPORT FOR THE ELF INSURGENCY: VARIOUS INTERVENTIONIST ACTS OF COLONEL QADHAFI WHICH SUGGEST THE POSSIBILITY OF LIBYAN SUPPORT FOR SOMALIA IN A FUTURE CONFLICT WITH ETHIOPIA: INCREASED DOUBTS REGARDING THE CONTINUATION OF SIGNIFICANT US MILITARY ASSISTANCE AND A KEENER AWARENESS OF THE EMPEROR'S MORTALITY, WITH ALL THAT IMPLIES FOR ETHIOPIA'S POSSIBLE VULNERABILITY: ALL THESE HAVE COMBINED TO HEIGHTEN CONCERN CLOSE TO ALARM.

3. THE MOST OMINSUS DEVELOPMENT OF ALL HAS BEEN AN APPARENT INCREASE SINCE JULY 1, 1972 IN THE TEMPO OF SOVIET DELIVERIES OF MILITARY EQUIPMENT TO SOMALIA, AND IN THE ARRIVAL OF SOVIET MILITARY ADVISORS: THE FACTS OF WHICH THEY ARE AWARE CONCERN ETHIOPIANS DEEPLY: THEIR UNCERTAINTY WHETHER EVEN MORE SIGNIFICANT DELIVERIES HAVE RECENTLY OCCURRED, OR WILL SHORTLY OCCUR, WORRIES THEM EVEN MORE.

4. ETHIOPIAN MILITARY LEADERS CONSIDER THAT THE PRESENT SOMALI THREAT CALLS FOR SUCH MAJOR STRENGTHENING OF ETHIOPIAN FORCES AS A MECHANIZED INFANTRY BRIGADE, NUMEROUS ADDITIONAL AIRCRAFT, INCREASED AIR DEFENSE RADAR COVERAGE, AND EIGHT MODERN PATROL CRAFT. YET, ALTHOUGH NUMEROUS ETHIOPIAN LEADERS HAVE LATE BEEN EMphasizing their concern to us, specific requests for additional US assistance have thus far been surprisingly moderate. (They are not yet aware of the shortfall in US assistance which we anticipate in FY 73.) We believe that more substantial requests are likely before long, however, and we note in this connection the foreign minister's recent prediction that his government, and possibly the emperor himself, will soon request a basic discussion of the somali threat with the ambassador (ADDIS 9832). We also believe that any hard information regarding the delivery of MIG-21S or T-54 tanks to somalia would trigger a considerable increase in the urgency and magnitude of ethiopian requests.
5. We are by no means inclined to regard current Ethiopian expressions of apprehension as a ploy to impress the US. We have no doubt they are sincere and to a large extent we consider them justified. There is sufficient territorial appetite and political instability in Somalia so that the possibility of a future desire to attack Ethiopia, possibly in a period of confusion following the Emperor's death, must be taken seriously. The Soviets will hopefully seek to avert this danger by carefully throttling their deliveries to Somalia, but with their record in the Arab/Israeli conflict in mind we cannot afford to be overly optimistic on this score. Soviet deliveries since July 1, 1972 have noticeably, though not drastically, strengthened Somali military capabilities. In our judgment Ethiopia has good reason in consequence to strengthen its military posture and should certainly seek considerable strengthening if Somalia soon acquires, or is found to have already acquired, such important additions as a significant quantity of Mig-21s and T-54 tanks.

6. If the US reacts to current Ethiopian apprehension by a simple continuation of recent attitudes and program trends, including a MAP level of $9.1 million ($8.6 million excluding PCHT -- packaging, crating, handling and transportation) for this fiscal year and probably further cuts in the next fiscal year, the IEG will conclude that US friendship is of very limited value, and their leaders will feel considerable disillusionment and bitterness; we do not anticipate that this will cause a basic change in its attitude towards Kagnew, or severe damage to other major US interests (although a caveat must be inserted that a Tenneco oil strike could at any time add an additional US interest in Ethiopia), but it will probably make it somewhat harder for the US to attain its objectives with regard to a wide range of issues in US/Ethiopian relations. Vigorous Ethiopian efforts to obtain military equipment on credit from other non-Communist sources can certainly be anticipated. Many countries would gradually conclude that US willingness to help its friends in time of stress had reached a very low level. A Libyan-armed ELF might decide to attack Kagnew if it saw clearly how disinclined the US was to assume any further involvement in Ethiopia. Lastly, there would be a somewhat greater danger of some form of Somali aggression against Ethiopia than if the US had contributed a little more to Ethiopian strength.
7. SHOULD THERE EVENTUALLY BE AN OUTBREAK OF SOME FORM OF HOSTILITIES WITH SOMALIA, THE DISADVANTAGES FOR THE US MENTIONED IN THE PRECEDING PARAGRAPH WOULD BE INTENSIFIED.

8. THESE CONSEQUENCES OF A SIMPLE CONTINUATION OF RECENT US ATTITUDES AND PROGRAM TRENDS ARE SUFFICIENTLY UNPLEASANT IN OUR VIEW TO JUSTIFY A THOROUGH SEARCH FOR ADDITIONAL ACTIONS WHICH THE US COULD TAKE AT PRESENT TO REASSURE ETHIOPIA, TO STRENGTHEN ITS MILITARY CAPABILITIES, AND TO LESSEN THE LIKELIHOOD OF SOMALI AGGRESSION. THE RESULTS OF SUCH AN EXAMINATION ON OUR PART ARE SUMMARIZED IN THE FOLLOWING PARAGRAPHS.
A. THAT A WORKING MEETING BE PLANNED IF POSSIBLE BETWEEN THE
EMPEROR AND THE PRESIDENT, POSSIBLY OUTSIDE OF WASHINGTON, PER-
HAPS IN CONNECTION WITH HIS SCHEDULED LATIN AMERICAN TRIP THIS
SPRING. REGARDLESS OF THE STATE OF US MILITARY ASSISTANCE PROS-
PECTS AT THAT TIME, THE EXPRESSION OF INTEREST IN ETHIOPIA
EVIDENCED BY THIS MEETING WOULD HELP TO STRENGTHEN US-ETHIOPIAN
RELATIONS, BOLSTER ETHIOPIAN CONFIDENCE, AND HOLD WITHIN BOUNDS
THE PRESSURE FOR US MILITARY ASSISTANCE.

B. THAT THE FEASIBILITY OF A US-IEG MEETING AT THE SECSTATE
OR SECDEF LEVEL BE EVALUATED AT A LATER DATE IN LIGHT OF THE
POSSIBILITY AND CONTENT OF THE PRESIDENTIAL MEETING Discussed
ABOVE.

C. THAT THE US SUGGEST TO THE IEG, AND POSSIBLY THE GSDR,
THAT IT CONSIDER APPROACHING THE OAU AND/OR FRIENDLY AFRICAN
STATES WITH A REQUEST TO MEDIATE THEIR BILATERAL TENSIONS, AS
WAS DONE IN 1964.

D. THAT A MEETING WITH THE ISRAELIS BE HELD IN WASHINGTON OR
JERUSALEM TO EXPLORE POSSIBLE ISRAELI ASSISTANCE (OF LOW VISIBILITY) TO ETHIOPIA INCLUDING THE POSSIBILITIES OF TRIANGULAR TRANSACTIONS INVOLVING THE US.

E. THAT THE US CONSULT IN APPROPRIATE CAPITALS WITH THE FRENCH, GERMANS, ITALIANS AND BRITISH TO SHARE ASSESSMENTS OF THE PROBLEM AND TO ASCERTAIN WHETHER THEY CAN MAKE USEFUL CONTRIBUTIONS.

F. THAT THE DEPARTMENT CONSIDER THE DESIRABILITY OF A HIGH-LEVEL APPROACH TO APPRAISE THE SOVIETS OF OUR CONCERN AND TO REQUEST THEIR COOPERATION TO MINIMIZE THE DANGER OF AN ARMS RACE AND FUTURE HOSTILITIES.

G. THAT THE DEPARTMENT REVIEW OPTIONS FOR AN IMPROVEMENT IN US RELATIONS WITH SOMALIA AND A SUBSEQUENT INCREASE IN US INFLUENCE THERE.

H. THAT THE POSSIBILITY OF MILITARY VISITS TO ETHIOPIA AND OF CALLS AT MASSAWA BY DETACHED 7TH FLEET OR OTHER NAVAL ELEMENTS, AS CIRCUMSTANCES MAY WARRANT, BE CONSIDERED.

I. OUR MAAG IS ENCOURAGING IEG SELF-HELP MEASURES TO IMPROVE ITS MILITARY POSTURE. THERE ARE MANY ACTIONS SUCH AS AN IMPROVED COMMAND AND CONTROL STRUCTURE AND VARIOUS DEPLOYMENT IMPROVEMENTS WHICH IT HAS BEEN RECOMMENDING AND WHICH IT WILL CONTINUE TO PROMOTE VIGOROUSLY.

J. WITH REGARD TO US MILITARY ASSISTANCE, A SHORTFALL OF $3 MILLION (FROM THE DON MAP OBJECTIVE OF $11.5 MILLION, NOT INCLUDING PCHT) NOW APPEARS LIKELY FOR FY 73 AND WE SUSPECT THAT THE SHORTFALL FOR FY 74 WILL BE EVEN GREATER IF EVENTS ARE ALLOWED TO TAKE THEIR NATURAL COURSE. SUCH SHORTFALLS COULD PERHAPS HAVE BEEN DIGESTED WITHOUT UNACCEPTABLE DAMAGE TO US INTERESTS IF ETHIOPIAN-SOMALIA RELATIONS WERE NOW APPROXIMATELY THE SAME AS WAS THE CASE A YEAR AGO. THAT IS DECIDELY NOT THE CASE. UNDER PRESENT CIRCUMSTANCES WE ASCRIBE GREAT IMPORTANCE IN TERMS OF US INTERESTS TO THE TOTAL ELIMINATION OF THE SHORTFALL THREATENING FOR BOTH FY 73 AND FY 74. SUCH ACTION IS NEEDED BOTH IN TERMS OF THE REAL SOMALIA THREAT AND THE EXPECTATIONS WHICH THE IEG IS ENTITLED TO HAVE REGARDING US ASSISTANCE IN TIMES OF GATHERING PERIL. ASSISTANCE WHICH WILL MERELY PERMIT A STRAIGHT-LINE CONTINUATION OF THE MODEST MODERNIZATION PROGRAM WHICH BEGAN IN FY 71, WITH FULL US APPROVAL.

K. WE RECOMMEND THAT IMMEDIATE STEPS BE TAKEN TO ELIMINATE THE
IMPEIGNING $3 MILLION SHORTFALL FOR FY 73 BY MEANS OF ONE OR MORE OF THE FOLLOWING APPROACHES: (A) AN INCREASE IN MAP; (B) BROADENING THE SPECTRUM OF ELIGIBLE EXPENDITURES FOR THE EXISTING AID AGRICULTURAL SECTOR LOAN TO PERMIT AN IEG SHIFT OF BUDGET RESOURCES TO DEFENSE SUPPORT; AND (C) OFFERING THE IEG MILITARY EQUIPMENT ON A CREDIT/SALE BASIS. ALTERNATIVE (A) IS THE MOST DESIRABLE IN OUR VIEW BUT WE RECOGNIZE THE INTENSE WORLDWIDE DEMANDS UPON A SHRINKING MAP BUDGET. ALTERNATIVE (B) SHOULD BE FEASIBLE WITHOUT MUCH DIFFICULTY IN OUR VIEW TO A LEVEL OF ABOUT $900,000 THIS YEAR. AN INCREASE OF UP TO $2 MILLION IN FY 73 WOULD IN FACT BE POSSIBLE FROM THE STANDPOINT OF ETHIOPIA'S ABSORPTIVE CAPACITIES, BUT POSSIBLE CONGRESSIONAL REACTION IN THE LIGHT OF THE PURPOSE OF SECTION 620(S) OF THE FOREIGN ASSISTANCE ACT WOULD NEED TO BE TAKEN INTO ACCOUNT AS WELL AS POSSIBLE PROBLEMS CONNECTED WITH THE CURRENT IEG UNDERSTANDING WITH THE IBRD THAT ANNUAL DEFENSE SPENDING INCREASES WILL NOT EXCEED 4 PERCENT. ALTERNATIVE (C) THAT THE DISADVANTAGE OF ADDING TO ETHIOPIA'S PRESENT FOREIGN DEBT BURDEN, WHICH AT 12 PERCENT IS ALREADY ABOVE THE 10 PERCENT "ALERT LEVEL" ESTABLISHED BY THE IBRD/IMF FOR ETHIOPIA, THE BUDGETARY EFFECTS OF FUTURE LOAN REPAYMENTS MAY INVOLVE SOME SECTION 620(S) DIFFICULTIES, BUT LESS SO THAN THE LARGER ANNUAL ETHIOPIAN DEFENSE EXPENDITURES INVOLVED IN ALTERNATIVE (B). WE DO NOT, HOWEVER, CONSIDER THESE TWO DISADVANTAGES OF ALTERNATIVE (C) AS SERIOUS AS A US FAILURE TO ELIMINATE THE SHORTFALLS.

13. WE LIKEWISE RECOMMEND THAT ANY LIKELY SHORTFALL FOR FY 74 BELOW THE $11.5 MILLION DOD PLANNING FIGURE BE ELIMINATED BY MEANS OF ONE OR MORE OF THE APPROACHES SET FORTH IN PARA 12. AS SOON AS WE OBTAIN BETTER INFORMATION REGARDING IEG BUDGETARY DECISIONS FOR FY 74, WE WILL TRANSMIT THIS INFORMATION SO AS TO FACILITATE COMPARATIVE APPRAISALS OF THE THREE ALTERNATIVES.

14. THE US ASSISTANCE RECOMMENDED IN PARAS 12 AND 13 SHOULD PROVIDE SUFFICIENT ETHIOPIAN MILITARY STRENGTH TO BALANCE THE SOMALI THREAT AS WE NOW PERCEIVE IT. WE FEEL COMPelled TO EMPHASIZE, HOWEVER, THAT SHOULD THERE BE A MAJOR STRENGTHENING OF SOMALI MILITARY CAPABILITIES, SUCH AS WOULD LATER RESULT FROM DELIVERIES OF SIGNIFICANT NUMBERS OF MIG-21S AND T-54 TANKS, WE WILL OBVIOUSLY NEED TO REASSESS THE PROBLEM.

15. SOME PARTS OF THIS TELEGRAM MAY APPEAR TO SUGGEST THAT WE
HAVE IN MIND THE POSSIBILITY OF AN INDEFINITELY CONTINUING DRASTIC ESCALATION OF US ASSISTANCE IN FUTURE YEARS. THAT IS NOT THE CASE. WE RECOGNIZE THAT IF THE SOMALI THREAT SHOULD INCREASE RAPIDLY AND CONTINUALLY IN THE FUTURE, THERE WOULD COME A TIME WHEN THE US WOULD HAVE TO DRAW THE LINE SHORT OF INCREASED MILITARY ASSISTANCE AND LEAVE THE SOVIETS TO BEAR THE ONU OF SUBSEQUENT CONSEQUENCES. IN OUR VIEW, HOWEVER, NOW IS DECIDELY NOT THE TIME TO DRAW SUCH A LINE. THERE IS STILL AMPLE REASON TO HOPE THAT A CONTINUATION OF OUR ORIGINAL PLANS FOR MILITARY ASSISTANCE TO ETHIOPIA, COMBINED WITH A SETTING BY THE SOVIETS OF REASONSABLE LIMITS ON THEIR ASSISTANCE TO SOMALIA, WILL EFFECTIVELY PROTECT US INTERESTS AND HELP PREVENT THE PROBLEM FROM EruptING INTO MILITARY CONFLICT INVOLVING, AS IT WOULD, ONLY THE RESTORATION OF THE VERY SMALL AMOUNT OF PREVIOUSLY PLANNED US FINANCIAL SUPPORT WHICH WE HAVE RECOMMENDED, THE EFFORT APPEARS WORTHWHILE. GDS.

WYMAN