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INFORMATION MEMORANDUM

S/S 11/18

TO: The Secretary

FROM: INR - Douglas P. Mulholland *DM*

SUBJECT: Regional Issues at Malta: Gorbachev's Agenda

Gorbachev's main concern on regional issues at Malta will be to avoid having them derail discussions on issues Moscow considers more urgent, such as East Europe, arms control and US-Soviet economic relations. Nonetheless, Gorbachev will probably want to put down markers on some regional issues, respond to us on others, and move on to his higher priorities. On regional issues Gorbachev will likely:

- make a general pitch for superpower cooperation based on a "balance of interests" and mutual compromise. He may propose a US-Soviet "code of conduct" in the Third World.
- argue that there is no military solution to Afghanistan, push for an international conference, a cease-fire, and negative symmetry in the supply of military assistance.
- tough it out on Central America, arguing that contra activity forced Managua's hand, deny Soviet support for the FMLN offensive, and possibly suggest that the US and USSR act as co-guarantors of a regional peace scheme.
- underscore Moscow's claim to a role in the Arab-Israeli peace process and the need for closer US-USSR consultation, while noting US efforts in the region, and blaming Israel for blocking further progress.
- give Southeast Asia and Africa short shrift unless the military situation in Cambodia or Ethiopia deteriorates significantly.
- raise the dangers of missile and chemical weapons proliferation in the Third World, especially given Soviet criticism of the US role in Israel-South Africa missile cooperation. He could propose a regime to limit conventional arms transfers to the Third World.

Attachment: As stated.

Date: 12/27/96

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REGIONAL ISSUES AT MALTA:

Gorbachev's Agenda

Gorbachev will arrive in Malta ready to discuss the full range of regional issues. He probably welcomes the chance to set down markers on Afghanistan and, given the venue of the meeting and recent US initiatives, the Middle East. At the same time, he recognizes that the President will raise Central America, especially given recent events in El Salvador and the IG-29 delivery to Cuba. Regime reversals in the run-up to the meeting could also push Cambodia or Ethiopia to the fore.

Regional issues are unlikely, however, to be at the top of Gorbachev's priorities at Malta. On the contrary, one of his probable goals is to avoid having regional problems derail or complicate the meeting, especially discussions of East Europe, arms control and US Soviet economic relations. Gorbachev has never used summits in the past to launch major new regional initiatives or policy shifts. Rather, he has generally stuck to established policy lines and arguments, preferring to announce changes unilaterally, probably in order not to appear to be making concessions to the US. Plus, he probably also recognizes that many of these problems are not open to superpower solution and that the best that can be done is to limit their impact on US Soviet relations. At Malta, he is, thus, likely to make his points, reply to the President's and move on.

Civilized Approach. Given the informal and likely wide-ranging nature of the Malta talks, however, Gorbachev may take the opportunity to address some general topics. In keeping with his "new thinking," he is likely to stress the volatility of regional conflicts and their potential for escalation and the need for political rather than military solutions. He is also almost certain to make a pitch for superpower cooperation based on a "balance of interests" and mutual compromise. Implicit in this will be the message that the USSR is a global power whose interests must be taken into account and that the US must also be prepared to compromise for the sake of better US Soviet relations and international stability. This is probably more than mere rhetoric; in the past, Gorbachev has been quick to take offense at any hint that the USSR is not the US's equal. At the same time, however, one of the most significant changes under Gorbachev in terms of regional conflict has been Moscow's tacit acceptance of the linkage between Soviet Third World activity and relations with the US.



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In this context, Gorbachev could resurrect a theme he raised shortly after becoming General Secretary: a US Soviet "code of conduct" in the Third World. Like many Soviet notions, this concept is long on generalities and short on specifics but seems to involve some sort of confidence building/crisis management system that would allow for bilateral consultations and action.

In terms of specifics, Gorbachev could raise the dangers of missile and chemical weapons proliferation in the Third World and even the idea of some sort of regime limiting conventional arms transfers to hotspots or the Third World in general. Each of these have been discussed in recent months by Soviet academics and mid-level officials, and Shevardnadze himself has called for greater Supreme Soviet--and MFA oversight of military aid programs, if only to avoid embarrassing situations like the delivery of MiG-29s to Cuba less than a month before the Malta meeting. In addition, Gorbachev will probably put in a plug for greater UN involvement in regional conflict management and resolution. The Soviets have already suggested stationing UN peacekeeping forces in potential hotspots before actual hostilities break out.

Afghanistan: New Confidence. While Gorbachev may well prefer to stick with generalities, he recognizes that he will have to deal with specific areas and conflicts. He probably also accepts that the Soviet and US agenda on these issues are all but reversed with Afghanistan heading Moscow's and Central America topping Washington's. Turning to Afghanistan, Gorbachev is likely to argue that there is no military solution and push for an international conference, a cease fire and negative symmetry in the supply of military assistance. He will probably argue that the Najibullah plan offers a possible basis for a settlement worth exploring. He is unlikely to rule out other alternatives, but will no doubt insist that Najibullah and the PDPA must have a role in any settlement. He may, however, be purposely vague on just what this means and even imply that the USSR could accept a settlement that eventually resulted in a transfer of power as long as the PDPA and Najibullah were included in the first stages.

In any event, Gorbachev will probably claim Pakistani and at least implicitly US violations of the Geneva accords, noting in passing that this hardly sets a good precedent for future US-Soviet efforts at regional conflict resolution. The implicit message will be it is Washington's turn to compromise.

While the Soviets would like a political settlement and to put Afghanistan behind them, they probably do not feel especially pressured at this point. The Najibullah government has survived another fighting season and with the onset of winter, mujahidin pressure on it is likely to subside in some

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areas. In addition, although the Soviet military and economic aid bill is high--possibly as much as \$300 million a month-- it is still well below what it was when the Soviets were doing the fighting. Moreover, with Soviet troops out, Gorbachev is probably under no domestic pressure to change course.

Central America: Shifting the Blame. Although the Soviets probably see their mid- to long-term position as relatively good and certainly defensible, Gorbachev no doubt will be expecting heavy flak on Central America, given the recent letter to Shevardnadze, the FMLN offensive in El Salvador, Ortega's maneuvering on the cease fire, and the reports of MiG 29 deliveries to Cuba. Indeed, the Soviets probably recognize that Central America could be one of the flash points of the Malta meeting, especially if, as intelligence suggests, the Nicaraguans hit contra bases inside Honduras or the FMLN continues to press its offensive in El Salvador.

While the Soviets publicly accepted Managua's justification for suspending the cease fire, available information indicates the Soviets were not consulted or pleased. Within a week of Ortega's announcement the Soviet MFA publicly termed the suspension an "obstacle" to peace and stability in the region. Similarly, they probably see the current fighting in El Salvador as ill-timed and ill-advised.

The Soviets probably judge, however, that they have little choice but to tough it out on Central America. On the Nicaraguan cease fire and any cross-border operations Gorbachev is likely to argue that continued contra activity forced Managua's hand and that the Sandinistas' recent actions only underscored the need to achieve a regional settlement before it was too late. Implicit will be the argument that the US should accept political realities in the region, namely, the existence and survival of the Sandinista regime.

On El Salvador, Gorbachev is likely to deny any Soviet support for the FMLN and even repeat similar Sandinista claims. He will probably endorse any new regional peace initiatives and claim that Shevardnadze raised US concerns with the Nicaraguans and Cubans during his September trip to Managua and Havana. He also will point to Moscow's continued moratorium on arms deliveries to Nicaragua as a sign of Soviet good faith and readiness to work with the US on a regional settlement. He may argue that it is time for the US to reciprocate with a reduction in its military aid to the region, possibly in the context of a settlement that saw an end to all military assistance to Central America.

Gorbachev will probably refuse to take any responsibility for Nicaraguan support for the FMLN or Cuban supply of Soviet-origin arms to Nicaragua and the FMLN, and argue that

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Havana is likely to remain a problem as long as it feels threatened by the US. He is likely to take a similar tack when addressing the issue of MiG-29 deliveries to Cuba. He is also likely to argue that the planes address Cuba's legitimate defense needs and by no means violate the US Soviet 1962 understanding. He may go so far as to argue that the best way for the US to solve its "Cuba problem" is to talk to Havana directly.

In a continuing effort to remove the region as an irritant in US-Soviet relations, Gorbachev may argue that Moscow and Washington should look for ways to work together to guarantee regional peace and control the arms flow. He may suggest the US and USSR act as co-guarantors of a regional peace scheme and a larger role for the UN.

While Gorbachev is most likely to try to move beyond Central America as quickly--and painlessly--as possible, there is a distinct chance he might decide that the best approach is to go on the offensive. Indeed, this could be where he indulges in a carefully planned fit of temper, especially if he thought he was being lectured.

Middle East: Logic of Time and Place. In recent weeks, the Soviets have exhibited some concern, even irritation, that they are being frozen out of US Egypt-Israel-PLO efforts to get a pre-election dialogue off the ground and breathe new life into the Arab-Israeli peace process in general. Moscow may be looking to the Malta meeting to underscore its claim to a role in the peace process and need for more US-Soviet consultation and interaction. During his recent exchange with Dennis Ross, special Middle East envoy Tarasov suggested the USSR now accepts the importance of elections, but stressed that Moscow must be kept abreast of developments, a line the Soviets have also taken with the PLO.

Moreover, while still blaming Israel for the current impasse in the peace process, the Soviets have invited Peres to Moscow in early December and have backed off their previous insistence that Israel accept an international conference and dialogue with the PLO before the USSR will resume diplomatic relations, arguing instead that they want "significant movement" in the peace process and a PLO-Israel meeting. Perhaps more importantly, the USSR may have discussed Soviet relations with Israel with the PLO and received a green light to intensify their dialogue with Tel Aviv, possibly in the context of a PLO-backed Israeli-Palestinian dialogue in Cairo with the US and the USSR as observers.

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At this point, however, the Soviets probably do not see any need for urgency in the Middle East, and Gorbachev will probably stick to a fairly conservative agenda at Malta. He will likely praise the US for getting an Israel-Palestinian dialogue going, and offer his support for the process, but come down hard on Israel, and by extension us, for failing to match the flexibility shown by the PLO. He will want to underscore Tarasov's message on the importance of US USSR consultations. Judging by the November 14 Shevardnadze-Dumas statement on the Middle East, Gorbachev will also raise Moscow's standard themes: UNSC Perm Five consultations to energize current efforts, the importance of the PLO role, and a push for linking elections in the territories to an international conference. Beyond that, he may try to probe US readiness to help advance the Soviet-Israeli dialogue.

In the Gulf, the Soviets have been increasingly open about their interest in improved ties with Iran since the June Rafsanjani visit to Moscow. A delegation of Soviet economic ministers is scheduled to visit Tehran in December and the Soviet-Iranian joint commission on economic cooperation may also meet before the end of the year. Moscow seems most interested in strengthening bilateral relations before, as Moscow believes is inevitable, Iran turns to the west for help in rebuilding its economy. To do so, the Soviets may be prepared to offer military aid. Gorbachev will want to avoid these issues at Malta, however, for fear that we will join the chorus of Arabs, especially Iraq and Gulf states, who criticize Moscow for courting Iran at their expense. To the degree he discusses the Gulf at all, it will probably be to point to UNSC Resolution 598 to emphasize the value of superpower cooperation and need for further UN action to get a permanent peace.

Cambodia: Little to Say. Given the present situation, Gorbachev is unlikely to make much of an issue of Cambodia. Recently, the Soviets have again offered to stop military assistance to Phnom Penh provided others do as well, and called for international monitoring with UN participation, somewhat at odds with Hanoi's and Phnom Penh's objections to a UN role until that body is impartial--creation of a non-governing leadership council for the transitional period, and convening of general elections. They have also noted approvingly ASEAN efforts to prepare another informal meeting in Jakarta. They have shown no real interest, however, in pressing Vietnam to accept a "power-sharing" quadripartite interim arrangement.

If the Khmer Rouge resistance continues to press its offensive and takes a major city, Gorbachev may feel some pressure to address the Cambodian issue more seriously. His general thrust would probably be that the US and USSR must not allow a Khmer Rouge return to power; he may also press for greater international action, probably encouraging a partial

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approach that would include a cease-fire and an international presence.

Africa: Increased Interest. First Deputy Foreign Minister Vorontsov's assumption of the Ethiopian portfolio and according to some reporting, the entire African account--suggests a somewhat higher profile for Africa, especially the Horn. While Mengistu appears to have gained some respite by opening talks with the Tigrean and Eritrean resistance groups, the military situation in Ethiopia remains tenuous and the regime could be defeated almost at any time. Short of a direct Soviet or Cuban intervention--something neither Moscow or Havana is prepared to undertake--there is little more the Soviets can or is willing to do to help the Mengistu regime. Military aid will probably continue, but Moscow has reportedly told Mengistu that there are even limits here.

Gorbachev may urge the US to use its influence to draw the separatist forces towards a cease-fire as the first step in an overall settlement. He will not, however, have much to offer in return, apart from arguing that an Ethiopian settlement would be in keeping with general US-Soviet efforts to solve regional conflicts.

While the situation in southern Africa is brighter, especially with the SWAPO victory in the Namibian elections, there are signs of growing Soviet impatience with the pace of the Angolan settlement. The Soviets reportedly are pressuring the MPLA to make the concessions necessary to get negotiations with UNITA on national reconciliation moving. According to a recent clandestine report, they have begun to cut back on their military and economic assistance, though they continue to support the MPLA's negotiating position. In Malta, however, Gorbachev is unlikely to go much beyond urging continued superpower cooperation and encouragement for the process, recognizing that both sides have little choice but to let things simmer along. Nonetheless, he may take a swipe at US aid to UNITA and may urge the US to use its good offices with Mobutu to push negotiations along.

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