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INFORMATION MEMORANDUM  
S/S *W/11/89*

TO: The Secretary  
FROM: INR - Douglas P. Mulholland *DDM*  
SUBJECT: Soviet Thinking on the Eve of Malta

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In recent weeks, we have gained some added insights on Gorbachev's Malta strategy. The attached INR update concludes:

- Gorbachev sees Malta as a chance to polish his image and probe US thinking with East Europe, arms control and economic relations heading his agenda.
- A key Soviet goal will be to foster US understanding of the internal problems facing the USSR and of the US stake in perestroika.
- On East Europe, Gorbachev is likely to raise again the idea of dismantling military alliances and could unveil some surprises, but his main message will be the need for caution, stability, and assurances the West will not exploit the situation.
- On arms control, he will press for progress on START and CFE. He could remove some obstacles, but probably sees bold new initiatives as counterproductive. He likely will call for naval arms talks and SNF talks. He may argue for cuts in arms production rather than waiting and reducing deployed arms.
- Gorbachev will try to ensure that regional issues do not compromise the meeting. He is likely to stick to established positions, laying down markers on Afghanistan and Middle East and loughing it out on Central America.
- On the economic front, Gorbachev will argue for an end to discriminatory trade regulations and for easing COCOM. He will also want to explore US thinking on "technical assistance"--especially on "defense conversion"--and Soviet participation in the likes of IMF and GATT.
- On global issues, he may focus on "ecological security," Third World debt, counterterrorism and drugs.

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**SOVIET THINKING ON THE EVE OF MALTA**

Gorbachev welcomes the respite from domestic pressures and chance to polish his international image. He was probably pleased with the President's November 22 speech and announcement that arms control would be discussed at Malta.

- East Europe, arms control, and economic relations will top Gorbachev's agenda.
- While he would like tangible results, he seems prepared to take the long view and use Malta to pave the way for the summit next spring.
- He will probably press for progress at both Geneva and Vienna as well as on naval arms reductions, but probably sees bold new initiatives at this time as complicating current negotiations and undermining remaining East European stability.
- A main Soviet goal will be to foster US understanding of the dilemmas facing the USSR at home and in East Europe.

**Building Understanding.** Gorbachev is likely to raise several domestic issues at Malta, taking credit for and promising additional glasnost, democratization and progress on human rights but warning that serious steps may be taken to curb excesses, especially in terms of labor and ethnic/national unrest.

- Gorbachev is likely to urge US forbearance and tolerance, especially if Moscow feels it has to use force to maintain order or territorial integrity.
- There could be an edge to this. The Soviets have taken umbrage at the recent Senate foreign relations committee resolution on Nagorno-Karabakh, and Gorbachev told visiting Canadian Prime Minister Mulroney that "provocative interference" in Soviet internal affairs is "intolerable."

**Assurances on East Europe.** The Soviets reportedly see East Europe as one of the three major issues to be discussed at Malta. On November 23, MFA spokesman Gerasimov said the two sides would use the meeting "to discuss, without hurrying, the situation...and find common approaches to current problems."

- Gorbachev will emphasize Moscow's intention to continue its policy of noninterference and rejection of force and



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argue the need to shift the focus of the Warsaw Pact--and NATO--from military political-military. He is likely to raise again the prospect of the gradual dismantling of alliances.

- Gorbachev's main message, however, probably will be the need for restraint and stability in these highly charged times. To help ensure stability, he may argue for more favorable trade and financial terms for East Europe.
- Surprises could include: another unilateral troop reduction; a call for US-Soviet cuts in conventional forces; revival of a Four Power forum on German issues, or a German reunification/neutrality scheme.
- Gorbachev is more likely, however, to argue that US and Soviet forces in Europe have a stabilizing effect and should only be reduced in the context of a CFE agreement. Similarly, he is likely to note Soviet opposition to a reunified Germany any time soon, insisting that it can only occur in the context of the creation of a "common European home."
- Still, given the Kohl proposal, Gorbachev might raise the eventual creation of a German "confederation"- largely economic--or a demilitarized zone down the middle of the two Germanies.
- Gorbachev may also play on shared US and Soviet interests and suggest enhanced superpower cooperation, including strategic collaboration. Given US NATO commitments and fear of being accused of engineering another "Yalta," he probably would do this more by indirection than explicit proposals.
- For similar reasons-- and because he will be seeing Mitterrand and Kohl after Malta-- he may refloat the idea of an all-European conference on security, perhaps in a CSCE context.

Arms Control: Maintaining Momentum. While acknowledging at Malta is not the place to negotiate agreements and that discussions on East Europe will take priority, the Soviets have signaled their intention to raise arms control issues. Most likely, Gorbachev will press for instructions to negotiators signed to accelerate the pace at both the conventional and strategic talks. He will also raise the need for a commitment to naval arms control.

- In keeping with recent calls for "creative thinking," Gorbachev may try to refocus discussions and argue for cutting production and even R&D capabilities rather than waiting and reducing deployed arms.

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--On START, Gorbachev will probably press for concluding a treaty soon and complain the US has not done what it could to ensure this. He may argue that, as in DST, the USSR has made significant proposals but the US has failed to respond. He may make a personal appeal that the President work with him to assure a treaty is signed within the next year or so. "Surprises" could include dropping Soviet insistence on intrusive SLCM verification or dropping SLCMs from START altogether if the US agreed to new naval arms control talks to include them. Other surprises could include concessions on AICM and heavy bomber counting issues.

--There is a very small chance he could offer to dismantle the Moscow ABM system if the US agreed to a narrow interpretation of the ABM treaty. He could also offer to scrap the Soviet ASAT.

--Nuclear testing is both a foreign and domestic issue for Gorbachev and he may suggest both sides begin thinking beyond TTBT and PNET. He may note the Soviets have decided to limit their tests to 75 kilotons and to fewer than 12 a year and propose similar limits as the next step in NTT. As for "surprises," he could announce the closing of a Soviet test site.

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--Gorbachev might also invite international inspections of the Sverdlovsk and Zagorsk, the most suspect BW sites in the USSR, but while this may be in the cards ultimately, we judge it unlikely at Malta.

--Gorbachev probably will press for accelerating the CFE talks to meet the mid-1990 timeframe. Bloc cohesion is increasingly uncertain, and Soviet ability to "deliver" their Warsaw Pact allies will probably only decline. Gorbachev could show some flexibility on remaining obstacles such as troop stationing and aircraft classification in exchange for a commitment on a CFE II process expanding the current area of application and capturing air and naval systems. The Soviets reportedly have developed some new proposals including on

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aircraft--and may announce them during Gorbachev's visit to Rome. One possibility is for him to dangle again the idea of negotiating away the 401st TFW move to Crotona. He may also argue for talks on SNF once CFE is certain.

- Gorbachev is likely to call for superpower naval force reductions and denuclearization of the Med while in Italy. He could go further with a unilateral gesture, possibly announcing the removal of cruise missile or nuclear-powered warships and subs from the Med or other areas. In any case, he may well press for a US commitment to establish separate negotiations on nuclear naval forces.

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- Gorbachev may also raise the dangers of missile and chemical weapons proliferation, either in the context of arms control or regional issues. This could be coupled with a proposal on limiting arms transfers to regional hotspots or to the Third World in general.

Regional Issues. Gorbachev no doubt sees discussion of regional issues as a given, and may even welcome the chance to put down some markers, especially on Afghanistan and the Middle East. His main concern, however, is that these issues not compromise discussions on larger agenda items. He is likely to stick to established positions.

- In keeping with the spirit of the Malta meeting, Gorbachev probably will stress superpower cooperation based on a "balance of interests" and mutual compromise, arguing that both countries have an interest in stability. Though less likely, he could resurrect the notion of a US-Soviet "code of conduct."
- Afghanistan is likely to head Gorbachev's list of regional issues. He probably will emphasize the need for a political solution in Afghanistan, and criticize Pakistan and by implication--the US for failing to live up to the Geneva accords. He is likely to push for an international conference, a cease fire, and negative symmetry, but to show little flexibility on the need for the PDPA and Najibullah to participate in a settlement. Surprises could include abandoning Najibullah as a precondition for a political settlement, delinking of negative symmetry and a cease fire, or a unilateral cutoff in aid to Kabul.

While perhaps unhappy with recent events, Gorbachev will probably try to tough it out on Central America, under scoring the value of a regional political solution, even

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suggesting the US and USSR act as co-guarantors. In terms of surprises, he could offer to stop further MiG 29 deliveries and reduce overall military deliveries to Cuba, possibly raising again the idea of a total US-Soviet cutoff to the entire region. He is more likely, however, to defend Moscow's arms transfers to Cuba, but argue the US and USSR should encourage the regional powers to pursue policies of "defense sufficiency."

--To the extent Gorbachev speaks of a Central America/Afghanistan "trade" it will be less in the context of an explicit deal and more in the nature of an understanding that each superpower must respect the special regional interests of the other.

--On the Middle East, Gorbachev will stress Moscow's role in the peace process and the need for closer US USSR consultation, arguing that the USSR can only help if kept informed. While giving a nod to US efforts, he is likely to criticize Israel for blocking progress, claiming that the PLO has made major concessions at some cost to Arafat and the moderates. Lebanon may figure large, with Gorbachev calling for a joint US Soviet statement. A "surprise" could be an offer of full diplomatic relations with Israel in trade for US acceptance of a full and equal Soviet role in the peace process.

--Gorbachev is likely to give both Southeast Asia and Africa short shrift unless the military situation in Cambodia or Ethiopia deteriorates significantly. He probably will underscore the need for continued bilateral cooperation in both cases. New initiatives or "surprises" could include a call for a reconvening of the Paris conference to consider internal aspects of a Cambodian settlement; suspension of military aid to Ethiopia and convening of a peace conference; or announcement of a Soviet withdrawal from Cam Ranh Bay.

--Given the Malta venue, Gorbachev may raise Cyprus. Similarly, he may respond to US demarches on Soviet nuclear assistance to North Korea, claiming that the USSR is in full accordance with IAEA regulations.

Seeking Economic Progress. While not wanting to appear to seeking handouts, Gorbachev will press for greater US Soviet trade and economic cooperation.

- In light of the progress in the Supreme Soviet of the emigration legislation, Gorbachev will argue for a Jackson Vanik waiver and a new trade agreement.

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- Gorbachev is unlikely to expect much on COCOM or actual economic assistance but may nonetheless argue for an easing of COCOM restrictions.
- He will also want to explore "technical assistance," perhaps proposing that discussions among experts be expanded to include sending large numbers of students or managers to the US.
- Gorbachev may also suggest Administration help in promoting Soviet export sales and creation of joint ventures, including the establishment of free economic zones and sales of factories to US firms. "Defense conversion" is another candidate for discussion as seen in Gorbachev's recent Pravda piece.

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On the bilateral front, there is a good chance Gorbachev will respond favorably to the US Open Lands proposal.

--He could also reopen the issue of consulates in Kiev and New York.

--Gorbachev could also suggest cooperative space projects, a topic recently raised by the head of the Soviet space industry.

Transnational Issues. Gorbachev may raise the issue of closer cooperation on the environment. Given the poor Soviet record, he may suggest closer contacts with the US scientific community and exchange of information on environmental research procedures in the name of common "ecological security."

A November 28 Shevardnadze interview suggests that the subject of Third World debt may also be raised, possibly in the context of "disarmament for development," and may even be linked to base closures and solving world environmental problems.

Another possibility would be increased cooperation in combatting the drug trade and international terrorism.

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