

TOP SECRET

12 November 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: SA/DCI

SUBJECT: NSC Meeting on Regional/Bilateral Issues for
Summit

1. You are scheduled to attend an NSC meeting on 13 November 1984 at 1300 to review regional/bilateral issues for the Geneva Summit.

TAB A Talking Points from NIO/USSR

TAB B Talking Points from SOVA

TAB C Typescript memorandum from SOVA entitled
"Regional Issues at the November Meeting:
Gorbachev's Options"

TAB D Papers prepared for the weekly meeting with
Regional NIOs.



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NIO/USSR
12 November 1985TALKING POINTS FOR NSC MEETING ON REGIONAL AND BILATERAL ISSUES
FOR GENEVA

As of this point, we suspect the Soviets do not take the President's initiative on regional security issues seriously and may doubt whether the President takes it too seriously either. In any case, the Administration's effort to get the regional issues into central focus at the summit was a failure; they do not appear (from what we've been able to learn) to have gotten much attention during Shultz-Shevardnadze-Gorbachev.

The basic point is that the US has not, as yet, given the Soviets a powerful reason to back away from their adventures or from the formula for implanting and defending Marxist-Leninist regimes.

Arrayed against their total security effort, the total cost of these adventures, including economic support for Cuba and Vietnam, and the military costs of Afghanistan, is not staggeringly large. There is disgruntlement about this cost among Soviet elites and public, but not enough to change Soviet policy.

More important, the risks of Soviet policy in the Third World are not great. Although the US administration is committed in principle to supporting Soviet opponents and to making Moscow's policy fail, it is severely limited in doing so. And it cannot credibly threaten to raise the level of these conflicts to the point where Moscow must dramatically escalate its own actions, face a confrontation with the US, or get defeated.

At the summit, the Soviets are likely to rebut US arguments about the evils of what they are doing by denouncing our policies in their terms. They are likely to shrug off arguments about the dangers and risks of what they are doing because they doubt we can make it dangerous or risky.

At the margin, they may show a little interest in "negotiated settlements" of a vague sort (not including the local opposition) in order to encourage those on our side who want to desert the various groups fighting them.

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Talking Points on Regional Security Issues and the Summit

1. The Soviets have made it clear that they don't like the President's regional conflict initiative and that they will continue to support their client states.

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more AN-22 heavy transports on []
[] the largest number of Soviet military transport aircraft to fly to Angola in one month since August 1983. (Cargo was military; possibly air defense equipment.)

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--They went ahead with a long planned visit by Ethiopian Chairman Mengistu and put him on the Lenin Mausoleum with the Soviet Politburo for the November 7th ceremony, the second time he has been accorded this honor.

2. During Secretary Shultz's recent trip to Moscow, Soviets listened quietly during US presentation on regional conflict but made no response.

--Are probably heartened by lack of vocal international support for President's three-stage proposal for ending conflicts in Afghanistan, Cambodia, Ethiopia, Angola and Nicaragua.

--But, they realize topic can't be avoided; []

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3. Gorbachev has three options, in descending order of likelihood:

A. Deflect meaningful talks on the issue. Cite this year's talks on regional issues between State and Soviet Foreign Ministry, and try to get talks back to arms control, or take propagandistic approach and come out swinging.

B. Recast the debate. Offer up USSR's own set of "tension-reduction" proposals--which might include "code of conduct," resumption of conventional arms transfer talks, Asian Collective Security Pact, nuclear-free zones, UN negotiations on Third World debt, global program for sharing high technology, etc.

C. Negotiate about one or more of the insurgencies mentioned by the President:

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--Build upon the President's implicit acceptance in his speech of the USSR as a superpower and potential co-guarantor with the United States of agreements.

--Shift the framework of discussions to one where acceptance would undermine the trust of our friends (for example Pakistan or anti-Sandinistas among Central Americans) in US resolve and staying power.

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This last option would include Soviet discussion of the behavior and interests of their own allies, which Moscow would probably strongly resist.

4. While we think it is most likely that Soviets will try to downplay and deflect the issue, the President should be prepared to respond to a more active attempt by Gorbachev to use the regional conflict theme to promote Soviet interests.

These talking points were prepared by [redacted]
[redacted] the Regional Issues Group, SOVA. Comments and queries are welcome and may be addressed to the Chief, Regional Issues Group [redacted]

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Central Intelligence Agency



Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE

6 November 1985

Regional Issues at the November Meeting: Gorbachev's Options

Summary

Moscow expects President Reagan to raise the issue of Soviet bloc military activity in Third World Marxist-Leninist states at his November meeting with General Secretary Gorbachev, and is preparing for this. Soviet authorities see the President's three-stage proposal for resolving conflict in these countries, which he presented in his address to the UN General Assembly, as a design to shift the focus of world attention away from SDI, undercut the Soviet global propaganda campaign keyed to "star wars" and nuclear holocaust, and justify armed aid to "counterrevolutionaries." The Soviet leadership throughout the 1980s has demonstrated a steady resolve to defend its gains in the states mentioned by the President--Afghanistan, Cambodia, Ethiopia, Angola and Nicaragua--and has viewed consolidation of client regimes in these countries as an essential element in expanding Soviet influence in the Third World. Gorbachev is not deviating from this line. While the Soviets probably believe that time is working in favor of consolidation of these regimes, they are aware of their present weaknesses and will try to ignite political backfires aimed at deflecting or reducing further outside support of anti-Marxist insurgencies.

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This memorandum was prepared by [redacted]
[redacted] Regional Issues Group, Office of Soviet Analysis. Comments and queries are welcome and may be directed to the Chief, Regional Issues Group, SOVA, [redacted]

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At the November meeting Gorbachev will have no interest in settling the armed conflicts in these "socialist-oriented" countries on the terms proposed by the President. For tactical reasons it is conceivable, although unlikely, that Gorbachev might suggest talks--premised on entirely different terms--about insurgencies in Afghanistan, Angola or Nicaragua. He will not--either to promote arms control objectives or to contain the "costs of empire"--make significant concessions to the United States on Third World issues, although such considerations could affect his decision on whether to take a low-key approach to the regional conflict problem or look to score propaganda points at this meeting. Conceivably he might seek to constrain the supply of mobile surface-to-air missiles and other weapon systems to insurgents fighting against Soviet clients. It is possible that he will present "tension reduction" proposals designed to spotlight areas of US vulnerability and capitalize on potential longer-term opportunities the Soviets see to advance their fortunes in the Third World. [REDACTED]

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1. President Reagan's address to the United Nations General Assembly put Moscow firmly on notice that the United States intends at the November meeting to pursue vigorously the question of Soviet bloc military activity in Afghanistan, Cambodia, Ethiopia, Angola and Nicaragua. This message could hardly have come as a surprise to Soviet policymakers; [REDACTED]

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Nevertheless, the Soviet press response demonstrates that the US move was an unwelcomed development. Soviet authorities see this step as an initiative designed to shift the focus of attention away from SDI, undercut their global propaganda campaign keyed to "star wars," and pave the way for further US support of anti-Marxist insurgencies. They themselves have no interest whatever in settling the armed conflicts in these five "Socialist-oriented" states on the terms proposed by the President, which they must read as an invitation to dismantle Soviet influence, abandon clients and repudiate support for Third World radicalism in return for more economic aid from the West. [REDACTED]

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Marxist-Leninist Clients and Soviet Third World Policy

2. Consolidation of pro-Soviet Marxist-Leninist regimes in Afghanistan, Cambodia, Ethiopia, Mozambique, Angola and Nicaragua is an essential element of Moscow's continuing broad-gauged strategy for increasing its influence in the Third World and acquiring new political and military bases from which to expand Soviet influence further. Levels of Soviet military and economic assistance to these regimes have fluctuated considerably over the past five years, with economic aid clearly being squeezed by declining growth of Soviet GNP. The constant factor has been a

basic Soviet determination to make Marxist revolutions irreversible in these countries. The tactical changes made in each case--in levels of assistance and Soviet bloc military participation--have been based principally on the client's degree of peril and on the Kremlin's judgment of what risks the traffic would bear. [REDACTED]

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3. Soviet military assistance in recent years to client "Socialist-oriented" Marxist-Leninist regimes has been substantial:

- In Afghanistan, the USSR increased the number of its troops by 7,500 men in 1984-85 (now about 118,000) and has taken more forceful measures to suppress the insurrection's growing capabilities. This has involved improved operational planning and reconnaissance, more direct use of Soviet ground and airpower, more aggressive tactics, and the dispatch during 1985 of three additional Spetznaz (Special Purposes Force) battalions (bringing the total to seven battalions--about 4,000 men).
- In Cambodia, the USSR has played a key role in supporting Vietnamese occupation of the country. Soviet military aid to Vietnam has levelled off in the past three years to about \$600 million annually. Without Moscow's extensive economic aid (an estimated \$1 billion annually), Hanoi would have been hard pressed to maintain the level and intensity of its pressure in Cambodia. Despite the existence of certain frictions between the Vietnamese and the Soviets concerning Cambodia (and Laos), more than 100 Soviet military advisors are active in Cambodia. [REDACTED] indicates that newer Soviet artillery has been made available to Vietnamese forces in Cambodia, and that the accuracy of Vietnamese artillery has noticeably improved in the past two years. The Soviets have also begun providing medium tanks, older MIG aircraft, and small naval vessels to the Cambodian armed forces, and have trained Cambodian Air Force personnel.
- In Ethiopia, of the \$3 billion worth of arms provided by the USSR since 1977, Moscow sent about \$1.3 billion in 1977-1978 and another \$1.3 billion in 1983-1985--including modern MI-24/25 helicopters and jet fighters. This aid enabled the Ethiopians to mount, for the first time, a successful counterattack against Eritrean insurgents and to rapidly recapture lost territory.
- In Mozambique, the USSR since 1981 has supplied some \$700-800 million in military assistance. Soviet military assistance rose considerably in 1983, including unprecedented deliveries of military equipment by air.

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Deliveries fell off in 1984 (probably due to Moscow's displeasure with Mozambique President Machel's signing of the Nkomati Agreement with South Africa), but they have increased in 1985. This year's aid has included MI-24/25 helicopters, tanks and APCs, patrol boats, artillery, and three batteries of SA-3 surface-to-air missiles. Soviet economic assistance has also increased in 1985.

- In Angola, the Soviets have clearly beefed up their military support, raising their 1983 deliveries of arms (\$582 million) to \$850 million in 1984, and on occasion apparently committing Soviet advisory personnel to direct military operations against UNITA.* Among the more sophisticated weapons Moscow has supplied Luanda since 1983 have been over 100 fighter aircraft, including MIG-23s and SU-22s; more than 20 MI-24/25 helicopters; antiaircraft systems for the creation of an integrated air defense over a large portion of the country; and large quantities of armor, transport, and ammunition.
- In Nicaragua, Soviet bloc military aid deliveries in 1984 doubled over those of 1983. Also, the nature of Soviet bloc military aid has expanded to include such equipment as MI-24/25 assault helicopters, minesweepers, and radar-controlled air defense guns. There was a lull during the first three quarters of 1985 in the delivery of Soviet weapons to Nicaragua, although deliveries of Soviet military-associated cargoes (trucks, jeeps, and so forth) rose sharply over that of corresponding months in 1984. In October, however, a major Soviet weapons delivery to Nicaragua via Cuba appeared to be under way, the first since last November. Nicaraguan ships shuttled back and forth between Cuba and Nicaragua's east coast under tight security. The new weaponry probably includes more tanks,

*Both UNITA and the South Africans claim that Luanda's recent offensive was planned and directed by Soviet military advisors. As of now we have no firm independent confirmation of this but we find these claims credible. There are about 1,200 Soviet military personnel in Angola, including seven generals. Soviet military advisors are attached to MPLA military formations down to the brigade level. We as yet have no evidence that Soviet personnel have participated in ground engagements in Angola. Likewise, we cannot confirm UNITA and South African statements that Soviet pilots were engaged in combat missions during the recent offensive, although we think it is quite possible. The Soviets do have a permanently based squadron of medium-range air transport aircraft and crews, which daily fly transport missions for the Angolan military. We believe the Soviets probably also pilot at least some of the 27 advanced MIG-23 fighters in Angola, with a likely primary mission of training Cuban and Angolan pilots.

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artillery, and air defense weapons. although it has not yet been precisely identified. [redacted]

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4. Soviet actions over the past months have affirmed Gorbachev's apparent intention to protect these client regimes. Like his three predecessors, Gorbachev seems willing to furnish such military support as appears necessary--at least in the absence of great risk or significantly increased costs--to ensure their survival. The USSR does face serious operational and logistical problems in conducting counterinsurgency wars at great distances and in unfamiliar situations, but these ventures are not that costly. Soviet military assistance, while large in absolute terms is--except for Afghanistan--at the margin of existing Soviet force structure, stockpiles, and military production. [redacted]

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5. Despite Moscow's concern over the possibility of more forceful US initiatives in the Third World, the Soviet leadership seems to believe that the United States and others who seek to frustrate Soviet efforts there are hemmed in by a variety of constraints which, over the long run, will work against sustained effective opposition to Soviet aims. At the same time, the Soviets probably think they will be able to profit from certain major trends now visible in the international environment:

- The fundamental shift in the regional "correlation of forces" in Southeast Asia that could arise with the loss of US bases in the Philippines--with or without a successful communist revolution in that country.
- The accelerating potential for serious revolutionary activity in South Africa.
- Growing frustration over the US role in the Middle East peace process and a possibly growing inclination of moderates in the region to accept more of a Soviet role.
- North/South tensions resulting from the debt problem and possible revolutionary upheavals, especially in Latin America. [redacted]

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6. The Soviets are well aware, however, of the short run problems of their client states: economic crisis, incomplete systemic and leadership institutionalization, and military vulnerability to insurgent attack. They know Washington has provided steadily increased support for some resistance groups and can see Washington is in the midst of a policy debate over escalation of that assistance to other insurgent groups. The clear reference in the President's address to support for democratic resistance forces is probably read by the Kremlin as an accurate indication of the administration's intent to up the military ante in anti-Marxist insurgencies if this is politically feasible. [redacted]

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7. Under these circumstances, the Soviets almost certainly will:

- Attempt to continue to provide client regimes with levels of military assistance deemed adequate to prevent serious insurgent challenge to client governments.
- Seek to generate political pressures that will deflect further outside support for insurgencies in client states.
- Play for time in which to strengthen political, social and economic controls in these regimes.
- Try to distract world attention from the anti-Marxist insurgencies by focusing on areas of US vulnerability and Soviet opportunity.

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Runup to the November Meeting

8. Between now and 19 November Moscow will publicly attack President Reagan's proposal, strive to impose its own terms of reference on discussion of regional issues at the meeting, and lay the groundwork for subsequent exploitation of whatever positions Gorbachev advances in his talks with President Reagan.

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9. Theoretically, Moscow could consider strengthening Gorbachev's hand in the talks by attempting to inflict a major military or political defeat beforehand on freedom fighters in one or more of its client states. Practically, however, time is running out and opportunities to score such a psychological victory are not evident--even if Moscow did decide to risk more publicity for its involvement in counter-insurgency efforts and to expose the steel beneath its current efforts to appear "reasonable."

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10. The main arenas of Soviet activity, thus, are likely to be propaganda and more finely tuned political influence operations ("active measures"). The most authoritative reaction to date to the President's comments on regional conflict in his UN address has been Gorbachev's speech of 1 November at a dinner for Ethiopian chief Mengistu. Gorbachev did not address the President's proposals directly, but

- Asserted that the charge of Soviet machinations in Ethiopia and elsewhere in the Third World was an attempt to cover up US interference in these countries, obstruct their ties with the Soviet bloc (i.e., "hinder their free and independent development"), distract world attention from US encouragement of Israel and South Africa, and avoid addressing the nuclear arms control issue.

- Declared that the Soviet Union would continue to support Ethiopia.
- Repeated the conventional Soviet propaganda appeal for channeling funds saved from arms spending to Third World development needs.
- Approved the resolution of the Organization of African Unity on turning Africa into a nuclear free zone and announced that the USSR would be prepared to observe Africa's nuclear free status and serve as a guarantor of such a zone.

Lesser Soviet spokesmen have stated that the USSR will be willing to discuss regional conflicts at the November meeting, but have suggested that Moscow's agenda might include US "state terrorism and imperialist interference in the internal affairs of other people," settlement of the Middle East conflict, and establishment of various "zones of peace" and nuclear free zones. [redacted]

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11. Moscow probably will wait to see how much positive response the President gets before deciding whether more is needed before the November meeting to put the United States on the propaganda defensive. Thus far, the Soviets appear encouraged by statements from some Western leaders and Prime Minister Gandhi that the primary focus of the November meeting should be arms control, not regional conflicts. If the President's proposal does not achieve much international resonance, the Soviets could very well decide to play it down in their own propaganda--hoping others will ignore it or write it off as simply a rhetorical maneuver. [redacted]

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Soviet Behavior at the November Meeting: Gorbachev's Options

12. [redacted] the Soviets reportedly dismissed US efforts to discuss regional issues in order to get the talks back to arms control. Moscow realizes that, whatever it might wish, it cannot prevent the United States from raising the issue of regional conflict for discussion at the November meeting. Gorbachev's choices revolve around (a) acceptance or not of any "linkage" between Soviet behavior in the Third World and achievement of Soviet objectives in the bilateral US/USSR relationship, including arms control agreements; (b) whether there is anything at all to be gained from even discussing the possibility of negotiations over insurgencies in one or more of the five Soviet client states mentioned in the President's address; (c) how actively to engage the President in talking about regional conflict; and (d)--looking beyond the meeting--what the best way is to turn the regional conflict theme against the United States. [redacted]

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Linkage with the US/USSR Bilateral Relationship and Arms Talks

13. There are no compelling reasons from Moscow's standpoint to give up gains already achieved in the "socialist-oriented" countries or elsewhere in the Third World out of hopes of enticing Washington to agree to more favorable terms in arms negotiations. Soviet America watchers would hardly feel confident enough to offer their leadership assurances about what such concessions might gain from Washington, and Gorbachev would probably not be able politically to "give away the farm"--even if he wanted to, which he does not. The Soviet leadership does recognize as a practical matter, however, that there is a connection between flagrant Soviet support of "national liberation" activities in the Third World and Congressional treatment of arms control issues. For this reason it may well continue to exercise tactical caution in its support of, or conduct of, counterinsurgency efforts in its client states; and it may choose at the November meeting to argue that it has been acting prudently with respect, for example, to "provocations" along the Pakistan border or to military supply of Nicaragua. If reminded of linkage at the November meeting by the United States and pressed for a commitment to future responsible behavior, the Soviets will probably restate their general principle of support for revolutionary movements. But conceivably they might decide that calculated ambiguity or assertions that "revolution cannot be exported" could be perceived in this context by the United States as tacit consent to restrain specific possible future actions--for example, military supply of guerrillas in South Africa or the New Peoples' Army in the Philippines.

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Deflecting the Issue?

14. In previous exchanges with Western leaders Gorbachev has dealt with their attempts to raise Third World issues by merely listening and quietly reiterating Soviet positions. He might do the same with the President at the November meeting. Alternatively, he could reaffirm agreement that the two countries' foreign ministers continue and institutionalize the dialogue begun this year on regional issues. The objective would be to terminate the discussion as quickly as possible and get back to arms control. Such a strategy would help muffle the regional conflict theme, display Soviet "statesmanship," and minimize potential tensions that might arise between the USSR and client regimes if serious talks were initiated with the United States. However, the strategy would not provide much of a platform for post-meeting propaganda and active measures campaigns, and would leave the initiative with Washington.

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15. Taking a more activist stance, Moscow might use the discussion of regional issues at the meeting to score propaganda points against the United States while attempting to manipulate American unease with appearing to act hypocritically or not "even-handedly." Picking up themes already in Soviet propaganda, Gorbachev could try to put the President off balance by directly accusing him of instigating "state terrorism" against regimes friendly to the USSR, of preparing to crank up aid to the South African "puppet" Savimbi, of supporting South African racism and aggression against its neighbors, of working with Israel against Arab interests, of backing military dictatorships in Chile and elsewhere in Latin America, or of exacerbating Third World tensions by deploying nuclear-armed vessels throughout the world. Such an approach might win kudos for Gorbachev among conservative elements in the Soviet elite, but would risk generating unwanted controversy over Soviet bloc military activities in the Third World and might be seen by Soviet strategists as likely to spoil an atmosphere at the meeting otherwise more conducive to American concessions on arms control questions. [REDACTED]

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Recasting the Entire Debate

16. An obvious option open to Gorbachev is to try to put the US in a "no win" position by presenting "constructive" "tension-reduction" proposals that are not transparently self-serving, but acceptance of which would constrain US military power projection capabilities, weaken US political influence, and enhance the Soviet presence in the Third World. If Washington decided to accept the proposed negotiating agenda, so much the better from the Kremlin's standpoint. But Moscow's main aim would be to position itself to (a) link US rejection of the proposals with US "bellicosity" in "star wars" and use this indictment to fan anti-Americanism in Western Europe and the Third World, and (b) to advance political initiatives in the Third World calculated to exploit US vulnerabilities. [REDACTED]

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17. The statement issued by a meeting of leaders of the Warsaw Pact in late October, together with Gorbachev's response to a letter from the Club of Rome on the international arms trade and his 1 November speech, probably provide some clues about the items that would be included in such a set of "tension-reduction" proposals. We might see calls for:

- A "code of conduct" for the Third World based on "respect for national independence and sovereignty, nonuse of force or the threat of force, inviolability of borders, territorial integrity, peaceful solution of disputes," etc.
- Resumption of the conventional arms transfer talks.

- An international effort to effect dismantlement of foreign military bases and a withdrawal of forces from foreign territories.
- The convening under UN auspices of an international conference on the Arab-Israeli dispute.
- An invitation to the US to join with the USSR in promoting an Asian Collective Security pact.
- Recognition of "zones of peace" and nuclear free zones in the Mediterranean, Persian Gulf, Africa, Indian Ocean and South Pacific.
- Approval of principles of North/South trade that paid lip service to the Third World's "New International Economic Order" initiative.
- Negotiations under UN auspices dealing with the Third World debt problem.
- Approval of a global program for sharing high technology.

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We rate the chances of the Soviets presenting some set of "tension-reduction" proposals at the November meeting about fifty-fifty. Whatever the particular mix of proposals may be, the package would be designed not only to deflect attention from President Reagan's regional conflict agenda, but actively to advance longer-term strategems of capitalizing on the perceived opportunities noted just above.

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Negotiating One or More Conflicts Mentioned by the President

18. From Moscow's perspective, the President's proposal implies actions which are either in fundamental opposition to Soviet interests, or are unlikely to succeed:

- Promotion of negotiations between client Marxist regimes and insurgents. The Soviets have tried but apparently failed to achieve negotiations in Ethiopia; they are probably uninterested in either having such talks or pressuring Cuba to engineer them in Angola and Nicaragua; and they are probably skeptical about the prospects of achieving serious talks with the Mujahedeen in Afghanistan, or between the two opposed Cambodian factions even if they wanted to pursue such a tack.
- Democratization of these five states. This path would involve a complete reversal of efforts by the Soviets and

- their bloc partners to build single-party Marxist-Leninist systems of rule.
- Withdrawal of bloc military support of clients, with verification. Pursuit of such a move would lead to collapse of client regimes in at least Afghanistan and Angola, serious loss of influence with Vietnam, probably loss of presence in Ethiopia, and major conflict with Cuba.
 - Expanded trade and aid relations between client regimes and Western partners. While the Soviets accept a certain amount of such intercourse as unavoidable and even desirable, their long-term objective is precisely to reduce the structural economic dependence of their clients on the West and strengthen integration of those countries in the Soviet bloc.

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19. Perhaps the only positive aspects of the President's proposal from Moscow's standpoint are its implicit acceptance of the USSR's role in the Third World as a superpower and potential co-guarantor with the United States of agreements, and acceptance by Washington of non-intervention principles that might constrain future US actions. Conceivably those pluses, supplementing more concrete cost/benefit calculations (including the benefits to be gained from simply being seen to be engaged in a negotiating process with Washington), might lead Gorbachev to explore talks about some of the insurgencies mentioned by the President. It is difficult to imagine why Moscow would broach the subject of Ethiopia or Cambodia, but scenarios involving the three other countries are not totally implausible:

- Afghanistan. The objective here would be to draw or create the illusion of drawing the United States into discussion of "guarantees" before the initiation of talks between the Karmal regime and the Mujahedeen, with the aim of eroding Pakistan's confidence in US staying power and Pakistani resistance to direct talks with the Afghans, and creating doubts among the Mujahedeen about the continuation of external support.
- Angola. The Soviets might restate their theoretical acceptance of at least partial Cuban evacuation from Angola in return for withdrawal of South African support for UNITA, combined with implementation of UN 435 guaranteeing free elections in Namibia supervised by the UN. The gain would be a probable SWAPO victory in Namibia; but the Soviets probably would doubt that the US could deliver the South Africans, and they would feel that the MPLA could not handle UNITA one-on-one even though they might be more heartened by FAPLA's performance in this year's offensive.

- Nicaragua/El Salvador. Any Soviet counter-proposal here would be conditioned by the need for gaining Cuban and Sandinista collaboration, which could well prove an insuperable obstacle. No doubt the Soviets would be prepared to trade withdrawal of Western support for the Afghan freedom fighters for Soviet withdrawal of support from the insurgency in El Salvador; but it is difficult to conceive how they would visualize such a deal being consummated. The Soviets might see hints of it, however, as a useful active measures tactic aimed at undercutting Pakistani resolve. Similarly, while they would see consolidation of Sandinista power in Nicaragua as far more important than legitimization of limited participation of the FMLN in electoral politics in El Salvador, they might see hints of talks between Moscow and Washington about reciprocal incorporation of insurgents into the political process of both countries as a means of sowing doubt in Central America about the US commitment to El Salvador, and encouraging Congressional opposition to further US support for the contras. [redacted]

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20. The level of sophistication and destructiveness of weapon systems introduced into Third World conflicts is a question which Soviet policymakers inevitably must address. As we suggest below, it is conceivable they might see some utility in broaching this issue on a global level in the context of a proposal to renew the conventional arms transfer talks. But they also might see an advantage in raising the question on a regional basis. As a backer of counterinsurgency warfare in the five countries mentioned by the President, the Soviets now have an obvious interest in reducing the flow to insurgents of anti-armor weaponry and--especially--mobile surface-to-air missiles and heavy machineguns capable of downing helicopters and fixed-wing aircraft. The problem from the Soviet standpoint would be to find something to trade--openly or tacitly--for restraint on the part of their opponents. It is conceivable that Soviet policy planners might entertain the possibility of offering to trade continued restraint in the bloc's supply of such weapons to guerrillas in El Salvador for future restraint in weapons available to the contras in Nicaragua. Less plausible would be a Soviet attempt to gain US agreement to seek restraint in the types of weapons that might get to insurgents in Afghanistan or perhaps even in Angola by means of an offer of Bloc restraint, for example, in overall military deliveries to Nicaragua or of Soviet restraint in "active pursuit" along the Pakistan border. It is highly unlikely that the Soviets would initiate discussion of US restraint anywhere in return for an understanding, however vague, about possible future Soviet non-supply of arms to South African dissidents or Communist insurgents in the Philippines. [redacted]

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DDCI Meeting with Regional NIOs

13 November 1985, 0930

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NIO/USSR
12 November 1985

NIC OUTLOOK MEETING WITH DCI NIO/USSR

1. Once Again on Gorbachev's Game Plan: The Summit Outlook

By now we've said what we can, but it's worth recapping.

Gorbachev wants a breathing space for the USSR in the form of some relief from the more intensely competitive behavior of the United States seen in the last five years, specifically:

from our rising defense spending;

from our more vigorous weapons development, especially SDI and new conventional weapons;

from greater US engagement in regional issues;

and from our more challenging political stance toward his system and its behavior.

He wants this breathing space for two reasons:

First, and most important, he wants to devote more economic resources and leadership attention, at the margin, to fixing the deep problems of a very unhealthy economy and society. Doing so will be the measure of his time in power.

Second, a breathing space like the one-sided detente of the 1970s would also allow the USSR to expand its influence at low cost and risk in the Third World and among US allies.

Gorbachev is as yet not ready to pay anything substantial in the form of concessions to the US on vital security issues -- arms control or regional conflicts -- or human rights. He wants a breather on the cheap, and believes he can get it.

While sweeping, his arms control position is one-sided, demands great concessions from the US on SDI, and would take years to negotiate in any case. Making his proposal involved no real concession so far.

So far, Gorbachev has signalled no real flexibility on the regional issues. He appears determined to back his Leninist clients in the Third World and to hang tough on Afghanistan. With the exception of Afghanistan, the USSR's Third World adventures are not that costly or risky now. Their real cost is the possibility that they will continue to inspire strong competitive behavior from the US on all fronts. But this is not certain. [See Item #3 below]

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Gorbachev will clearly do what he can to exploit and deepen fissures in US alliance relationships by a more activist foreign policy. He sees a detente environment as offering a favorable setting, but will try to do this no matter what the atmosphere.

He shows no sign of readiness to move toward liberalizing the human rights situation inside the USSR, except for some cosmetic gestures; and is pressing for more discipline out of East Europe.

At this point, Gorbachev is not counting on specific concessions from the US that give him his breathing space. At the summit, what he is after is an atmospheric result and a continuing political process that encourage a relaxation of pressures from the US through other forces over the rest of the President's term. He wants to convince publics, Congress, allies, and the President himself (if he can), that Moscow is willing to be reasonable, but cannot be pushed. Coming out of Geneva, he wants all these parties to believe that Washington bears the main burden to make concessions and accommodations for the sake of better US-Soviet relations. If he can create this perception, over time the burden will wear down the Reagan administration and deliver a more accommodating president in the next election.

As he watches the fate of defense budgets and other security issues in the US Congress, he sees how this can happen in the last years of the Reagan presidency.

At the summit, Gorbachev will not be open to persuasion that his views and policies are wrong.

Both his personality as a counterpuncher and his system run against his letting himself be persuaded.

On the contrary he will be out to take the measure of the President and to persuade him that his anti-Soviet policies are wrong and can easily be altered because Moscow will be forthcoming if the US makes concessions.

Gorbachev is, indeed, likely to use the argument that Soviet domestic problems "prove" the Soviets will be reasonable -- if only the US signs up to peaceful coexistence on Soviet terms. He did this in Time.

There is not much the President can do to change Gorbachev's position at the summit. His most important and achievable task is to inject doubt in the minds of Gorbachev and his team that they can get a cheap breathing space without serious concessions, solely by playing on atmosphere, the Congress, etc.

This places a premium on the following:

At the summit, the President conveys confidence in the rightness of his policy course, in its congruence with US national interests and

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the cause of peace, and in his ability to stay the course and make it a lasting part of American politics.

After the summit, the President demonstrates his ability to keep his national security agenda on course in the Congress.

2. NIE on "Domestic Stresses on the Soviet System" and Implications

As this NIE nears completion, there are still likely to be important arguments among NFIB agencies as to whether and just how much Soviet domestic, mainly economic, troubles oblige Gorbachev to hold to a flat or even go to a reduced level of defense spending. Nevertheless, as of now, there is agreement that:

Soviet internal troubles are deep and serious, both as regards the economy and the surrounding political and social environment.

Gorbachev's likely conservative strategy for addressing them will probably not make the Soviet system a great deal healthier in the next five years. Even if he takes more reformist steps than we think likely, it will still take longer to make serious improvements. Moreover, many domestic initiatives (e.g., cadre replacement and management reform) will produce more social tension before they produce better system performance.

All in all, the domestic scene is a heavier drag on the USSR's effectiveness as a superpower than ever.

Nevertheless (and this goes beyond the NIE), the USSR can still field a lot of new military power at reduced levels of defense spending, because it is operating from such a high base of production and active forces, and can still pursue its policies in the Third World, unless we make them more costly and risky.

Thus, Gorbachev has a middle option between intensifying Soviet competitive effort and making concessions (which the NIE now mentions) of reducing defense spending somewhat and only for a finite period of four or five years, while stiff-arming the US on security issues and trying to work our allies. His ability to get away with this depends on a US Congress which fails to support the Administration on defense and regional security.

[A footnote:

_____ said on these matters that the KGB does not report to the leadership on broad domestic conditions (which helps explain why they have been slow to get the picture), that religious adherence, while no real political threat, is growing in the USSR (our view as well), that Russian nationalism is on the rise (ditto), and that the KGB likes detente because of the "operational opportunities" as well as the economic help it brings the USSR (no surprise here).

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3. Regional Security Issues and the Summit

As of this point, we suspect the Soviets do not take the President's initiative on regional security issues seriously and may doubt whether the President takes it too seriously either. In any case, the Administration's effort to get the regional issues into central focus at the summit was a failure; they do not appear (from what we've been able to learn) to have gotten much attention during Shultz-Shevardnadze-Gorbachev.

The basic point is that the US has not, as yet, given the Soviets a powerful reason to back away from their adventures or from the formula for implanting and defending Marxist-Leninist regimes.

Arrayed against their total security effort, the total cost of these adventures, including economic support for Cuba and Vietnam, and the military costs of Afghanistan, is not staggeringly large. There is disgruntlement about this cost among Soviet elites and public, but not enough to change Soviet policy.

More important, the risks of Soviet policy in the Third World are not great. Although the US administration is committed in principle to supporting Soviet opponents and to making Moscow's policy fail, it is severely limited in doing so. And it cannot credibly threaten to raise the level of these conflicts to the point where Moscow must dramatically escalate its own actions, face a confrontation with the US, or get defeated.

At the summit, the Soviets are likely to rebut US arguments about the evils of what they are doing by denouncing our policies in their terms. They are likely to shrug off arguments about the dangers and risks of what they are doing because they doubt we can make it dangerous or risky.

At the margin, they may show a little interest in "negotiated settlements" of a vague sort (not including the local opposition) in order to encourage those on our side who want to desert the various groups fighting them.

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NIO/EA

12 November 1985

Taiwan -- All the King's Horses and All the King's Men?

1. Only a few years ago the prospects for a smooth transition of power on the mainland of China from Deng Xiaoping to his successor looked uncertain while Taiwan awaited Chiang Ching-Kuo's passing with confidence and optimism. Now the tables have turned. China's September party conference placed Deng's reformers more firmly in control and reduced the chances of old guard military officers playing king maker at his death. Meanwhile, the untimely stroke of Taiwan's Premier Sun and KMT party Chief Y. S. Chiang's indirect involvement in financial shenanigans on the island have thrown the succession to CCK into turmoil and doubt.

2. In retrospect, Premier Sun, as heir apparent, was a crucial element in CCK's succession plans. He had the confidence of the old guard mainlander conservatives and the vision to depend on a younger generation of mainlander technocrats and upstart native Taiwanese to guide Taiwan into the 21st Century. CCK forged just such a coalition when he assumed power from his father, the legendary Chiang Kai-shek, in 1975. The decade of political and economic progress that ensued spoke well of the idea and with CCK's blessing Premier Sun appeared poised to carry on in the same fashion long after CCK had passed from the scene.

3. So, too, was the KMT in good hands headed by the bright and articulate Y. S. Chiang. The President's trouble shooter of many years presided over the modernization and Taiwanization of what had become almost a moribund and irrelevant artifice. He breathed new life into the ruling party by promoting able, young, western educated mainlanders and transfusing the rank and file until about 70 percent of the membership became native Taiwanese. What had begun many years before as a Leninist mechanism of control on the mainland became a modern political party stressing competence and constituent services on Taiwan. He was so successful that it literally took the wind out of the sails of the once vigorous Taiwanese opposition. KMT victories in local elections with mostly native Taiwanese politicians left the opposition Tangwai little to criticize and more of an irritant than a real electoral threat.

4. Premier Sun's incapacitation and Y. S. Chiang's fall from grace changed all that. An older and seemingly tired out CCK reacted to the new situation by surrounding himself with conservative hardliners suspicious of change and the native Taiwanese majority. Old friendships rather than talent apparently counted for more in his choices. The new Premier, Yu Kuo-hua, for example, has proven irrefutably that he cannot be counted on to lead Taiwan out of its economic decline despite his friendship with the President and reputed financial and economic expertise. Others around the President appear no better. They are quick to say yes, but apparently fear to give the "old man" bad news. At the same time, they monopolize access to

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CCK and keep the young reformers at arm's length. Possessed of little vision themselves and loathe to turn to a younger generation for ideas, these men appear bent on leaving Taiwan unprepared for CCK's passing.

5. What had once seemed assured for Taiwan--a smooth transition and continued political and economic progress--is now clouded and uncertain. No new leader of the stature and capability of Premier Sun has emerged and the group influencing events now is more of a hinderance than help to CCK. None of them seem capable of stepping into his shoes and carrying on.

6. CCK set in motion the beginnings of a major social change on the island by reversing the polarization of mainlanders and native Taiwanese that had been a fact of life even before his father retreated to the island in 1949. While not yet complete, the gradual process of evolutionary change bringing mainlander and Taiwanese closer together portends profound consequences by the end of the century.

7. Unfortunately, those advising CCK today are not only out of step with this new reality, but are representative of the very group who in the past most vehemently opposed change. Many of them have counselled repression over reform fearful that they and their kind would have no place in the new Taiwan envisioned by CCK. Moreover, CCK had the advantage of rapid economic progress that allowed for a slow and patient strategy of reform. His successors will not have that luxury. The economic downturn that promises to linger on for sometime is likely to increase the demands for quickening the pace of political reforms. A resort to repressive measures would only make matters worse and heighten the appeal of the more radical opposition.

8. The military's role in politics also appears on the rise. General Hau Pei-tsun, the Chief of Staff, and General Wang Ching-hsu, Director of NSB, appear positioned to play a larger role in the succession than previously expected. Fortunately, both are able men and more enlightened than their civilian counterparts currently ensconced close to the President. In the event of a near term succession crisis, both would have a large say in the outcome. Some even speculate that General Hau might wish to become part of the civilian administration after CCK's death. In any event, both men could prove decisive in choosing the shape and focus of a new government. Although personally very capable, their power comes from a group--the military and security services--most desirous of stability and fearful of change. Each may find it difficult to keep Taiwan moving on the course charted by CCK, Premier Sun and Y. S. Chiang.

9. CCK, to his credit, apparently recognizes that all is not well. Economic disarray and the prospects for opposition gains in the November elections have spurred reports that the President plans to reshuffle his Cabinet and bring in new advisors. His choices and the overall complexion of the government and party apparatus that he puts his confidence in at this crucial stage will go a long way in determining whether his successors will be able to put Humpty Dumpty back together again. Will he continue to rely on old trusted civilian lieutenants looking to the past for guidance, or will he turn to a more forward looking group of younger reformers? At this point, unfortunately, it is anybody's guess.

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NIO/AF
13 November 1985

DCI/NIO REGIONAL CONFERENCE

SUDAN: Over the last weekend, Sudanese Defense Minister Osman Abdullah stated that Soviet military experts were en route to Sudan to recondition Soviet-supplied aircraft in the Sudanese air force inventory. Abdullah also noted that Sudan had asked the US to remove its military equipment in Port Sudan (the US has prepositioned \$100 million in military equipment for CENTCOM contingency in Port Sudan). (In fact, the Sudanese Government has as yet made no such request.) Given the manifest desire of both military and civilian leaders to obtain more military hardware from all sources--and US unwillingness to provide arms usable against southern insurgents--it is likely that such a request will be made of the US to enhance Sudanese prospects of receiving Soviet and Libyan arms. Such a move would also reflect civilian and military desires to be more "nonaligned."

[redacted] indicates that the current southern insurgent posture of honoring a ceasefire and encouraging negotiations is a ploy. In fact, the SPLA is preparing for a major offensive against Sudanese positions. A new offensive will only increase northern military and civilian desires for more arms to fight the insurgents.

ANGOLA/SOUTH AFRICA: [redacted] the Soviets are once again sending several large air transports to Angola, almost certainly containing military materiel. This substantiates the prediction in our recent SNIE that the Soviets would quickly make up MPLA losses incurred in their recent offensive, and especially that the Soviets would reinforce and expand the southern air defense network. Information [redacted] suggests the South Africans are contemplating a new, relatively large-scale incursion into Angola, allegedly to hit SWAPO targets. We speculate that any new incursion may well have the real purpose of both helping Savimbi and sending a message to the MPLA and Soviets regarding extension of the air defense line southward, if not eastward.

LIBERIA: The situation in Liberia remains unsettled as some troops loyal to Head of State Samuel Doe have apparently decided to battle the supporters of the coup launched by former commanding General Quiwonkpa. Although our mission reports that US citizens are safe, the situation in Liberia will likely remain very dangerous over the next few days as Doe and Quiwonkpa vie for the support of Liberia's military. Given the widespread unhappiness with Doe, we believe Quiwonkpa stands a good chance of emerging the victor. Regardless of who wins, however, the United States will come under increased pressure from the Liberian

Government for increased economic and military assistance. Liberia's latest descent into chaos will also open new doors for Soviet and Libyan meddling. A Quiwonkpa takeover would likely see the re-emergence in Liberia of a political left despite Quiwonkpa's personal pro-US and conservative views. Numerous leftists who fled from Doe's regime would be likely to return and benefit from their opposition to Doe.

LIBYA-CHAD: Libyan leader Qadhafi has again focused his attention on Chad, and the recent heightened Libyan military activity in northern Chad suggests that Qadhafi is again prepared to initiate attacks against Chadian territory south of the 16th parallel. During the next few weeks, we will probably see Chadian rebel probes against government garrisons near the 16th parallel, and Qadhafi may well commit some Libyan military assets in support of the rebels. The Libyans could provide some air cover for rebel operations, as well as send Libyan armor or artillery units to back the rebel efforts. The French are unlikely to stand up to these initial Libyan challenges, thus encouraging Qadhafi to prepare for a large-scale Libyan thrust into southern Chad.