Background

This NSDD supersedes NSDD 213 of February, 1986, which was formulated to meet our concerns about the Maltese Labor Government's relationships with Libya and the Soviet bloc, and its increasingly authoritarian style of government. Circumstances have changed sufficiently to warrant a revision of U.S. policy toward Malta. (S)

OBJECTIVES

- Deny the use of Malta for military purposes by the Soviets or the Libyans.
- Prevent Malta from serving as a base for international terrorism.
- Encourage Malta's essentially Western orientation and economic ties to the West.
- Promote mutual friendship and understanding between the Maltese and American peoples.
- Encourage better cooperation from Malta in multi-national fora. (S)

ACTIONS

To promote the above objectives, the United States will take the following actions on a step-by-step basis consistent with Maltese performance:

- Political/Diplomatic
  -- Respond positively to the Maltese initiative to improve relations with the United States.
  -- Increase consultations with the British and the Italians on the situation in Malta. For historical and geographical reasons, Great Britain and Italy should take the lead with respect to alliance relations with Malta.
-- Deflect the Maltese request for a commitment by the U.S. to guarantee Malta's security.

-- Continue to emphasize in diplomatic discussions with Maltese officials our concern about Libyan involvement in international terrorism and the Libyan desire to use Malta as a location to train operatives or for other purposes associated with terrorism.

-- Maintain regular contact with leaders of the opposition Labor Party.

-- Continue the USIS information effort in order to give the Maltese a clearer picture of U.S. policies and to better expose and counter Soviet and Libyan propaganda and disinformation. (S)

**Trade and Investment**

-- Impress upon the Maltese that it is up to them to establish an attractive investment climate; suggest what they might do to improve that climate; explore the possibility of concluding a bilateral investment treaty.

-- Call attention of U.S. firms to trade, investment and tourism opportunities in Malta.

-- Explore the possibilities of obtaining Trade and Development Board support for projects utilizing U.S. exports, and of initiating programs in coordination with the President's Private Sector Initiative office. (C)

**Military/Security Programs**

-- Request EUCOM survey training needs and initiate an IMET program if circumstances warrant.

-- Foster improved performance by the Maltese government in the intelligence/security field and, if warranted, undertake reciprocal cooperation in such areas as counterterrorism.

-- Encourage low-profile military-to-military ties between Italy and Malta, including search and rescue training and underwater mine clearing. (S)