

~~SECRET/SENSITIVE~~

MEMORANDUM OF CONVERSATION

Date: October 11, 1986
Time: 3:30 PM - 5:40 PM
Place: Hofdi House, Reykjavik

PARTICIPANTS

US Side

President Reagan
Secretary Shultz
Tom Simons, Notetaker
William Hopkins, Interpreter

Soviet Side

General Secretary Gorbachev
Foreign Minister Shevardnadze
G. Tarasenko, Notetaker
P. Pavlzhchenko, Interpreter

The President recalled that Gorbachev had presented him with a paper that morning. He had not yet had a chance to digest it, and he would like to read Gorbachev a paper here, which had some suggestions at the end.

Having listened to Gorbachev's remarks in the morning, we agreed that reductions are the highest priority. It is time for practical steps. He also welcomed from Gorbachev's remarks the focus Gorbachev had placed on ballistic missiles.

Reductions in ballistic missile warheads are central, the President went on. The heart of the matter is reducing ballistic missile warheads.

We had agreed to 50% reductions and proposed 4500 ballistic missile warheads, roughly half the current Soviet level. The Soviets had proposed 6400 to 6800, and as he had said that morning, he thought that was too high.

We had been prepared to talk about lesser reductions, but we preferred to talk about 50%, as Gorbachev had that morning.

We are concerned about heavy ICBMs, the President went on, and glad to hear the Soviets were prepared for considerable reductions in these systems. (This line was omitted in the interpretation.)

We are prepared for appropriate corresponding reductions in all ballistic missile systems -- including in our sea-launched ballistic missile force (the sub-launched ballistic missiles), as the Soviets had suggested. Additionally, we need throwweight reductions, additional sublimits and effective verification.

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The President elaborated that the agreement should reduce throwweight to 50% of the current Soviet level, and that effective verification is essential to both of us, and should apply the progress made in INF and other areas to what we call START.

As part of such a package, the President said, we are ready to agree in other areas.

There should be limits on air-launched cruise missiles, but not limits on other bomber weapons. We are prepared to constrain ALCMs by including them in a limit of 6000 (the interpreter said 7500) on ballistic missile warheads and ALCMs -- but not include other bomber weapons, gravity bombs and SRAM.

The President then turned to a sublimit on bombers. Bombers fly slow and face unconstrained Soviet air defenses. You cannot equate bomber weapons with missile warheads, and this was not done in past arms control agreements. But we can consider a sublimit of 350 bombers, thus bounding bomber weapons.

There should be an aggregate ceiling on bombers and ballistic missiles, the President said, and we can accept the aggregate ceiling of 1600 on ICBMs, SLBMs and heavy bombers the Soviets had proposed.

If we can work out such an agreement, the President said, it should not be held hostage to progress in other areas.

Turning to INF, the President said that with respect to Gorbachev's remarks on intermediate-range nuclear forces, he had to say he was disappointed. Gorbachev's most recent letter to him had indicated that although problems remain, we might be moving to closure in this area.

For example, in the letter Gorbachev had written to him that with regard to Soviet systems in Asia, "a mutually acceptable formula can be found and I am ready to propose one (provided there is certainty that a willingness to resolve the issue of medium-range missiles in Europe does exist)."

Gorbachev now appeared to be backing off this position, the President noted.

This issue must be dealt with on a global basis, the President went on. He had thought we had agreed to pursue an interim, global agreement. We both agreed on an interim INF agreement with equal ceilings on U.S. and Soviet long-range intermediate missile warheads in Europe, and an equal ceiling on U.S. and Soviet long-range missile warheads worldwide.

There should be no doubt, the President said, that we require a global solution.

We can accept the Soviet idea of 100 in Europe, he went on, if other elements are worked out. The Soviets had proposed 100 warheads on each side in Europe. If we can agree on the other aspects of an interim agreement, we have no problem with that number.

Verification is essential, the President continued. In Gorbachev's most recent letter he had said that verification is no longer a problem. The President said he assumed that Gorbachev meant that he was prepared to be constructive in finding a solution to our verification concerns.

The President also said we need reductions in Asia. As he had pointed out, the Soviets had said privately that they have a formula to propose to help resolve this issue. It would have to go beyond the formula Gorbachev had used at Vladivostok, and also beyond what he had said that morning. The President stressed that he could not accept only a freeze in current Soviet SS-20 levels in Asia.

The U.S. had long called for proportional reductions in Asia, the President recalled. If we reduce to 100 warheads in Europe, and reduce Asian systems in the same proportion, the Asian ceiling would be something like 63. But 100 in Europe and 100 in Asia is acceptable. In the right context, we could accept that.

We need to address short-range intermediate missiles, the President continued. It cannot be deferred. At a minimum this involves limiting SRINF, including a ceiling on SRINF at least at current Soviet levels, with a U.S. right to match at whatever level, and the lower the better. The Soviets had suggested this. It was in their INF draft treaty. Reluctance now to constrain these short-range systems was troublesome, he said.

The President said he welcomed the fact that Gorbachev's remarks that morning had addressed short-range warheads and indicated a willingness to freeze Soviet forces in this area.

He would not accept a ban on Pershing IIs, the President went on. We could discuss the mix of Pershing IIs and ground-launched cruise missiles, but we could not leave the Soviets with ballistic missiles in their force while we had none.

The interim treaty should also stay in force until it is replaced, the President said. The Soviets had suggested this in their May 15 draft treaty, and we supported it.

Let's settle on 100/100 now, the President urged. We are getting somewhere. The Soviets had suggested 100 LRINF

missiles in Europe. We have no problem with that, if the Soviets make comparable reductions in Asia. If they could not make a proportional reduction in Asia, for example to about 60 to 65, why not 100 warheads in Europe and 100 warheads outside Europe, with a concurrent freeze on shorter-range systems at the current Soviet level. The President said that the basis for an agreement is within reach.

On SRINF, the President went on, let's agree now to address it. Let's agree to instruct our negotiators to agree on constraints on SRINF missiles in an interim agreement taking into account the capabilities of these systems and the need for a nuclear arms reductions agreement to reflect equality between the U.S. and the Soviet Union.

Let's agree now on verification measures, the President continued. We think they should include a comprehensive and accurate exchange of data, both prior to reductions and thereafter; and second, on-site observation of destruction down to agreed levels; and, three, effective monitoring of the remaining LRINF inventories and associated facilities, including on-site inspection.

Let's put the duration issue behind us, the President urged. Let's agree to instruct our negotiators to resolve the duration question in a manner which ensures that the U.S. and Soviet INF missile systems remain subject to and constrained by a legally functioning treaty system while the sides negotiate further reductions in these systems.

Gorbachev asked which treaty. Secretary Shultz said an INF treaty, along the lines the Soviets had suggested earlier. The President commented we had gotten the idea from Gorbachev.

Turning to defense and space, the President said he had taken Gorbachev's concerns about the U.S. SDI program into account in his July 25 proposal.

First of all, he said, he wanted to make clear that his proposal recognizes that the ABM Treaty is a treaty of unlimited duration. His proposal would establish a mechanism for the two sides to move together towards increasing reliance on defense. It would not eliminate the ABM Treaty. As a result of the negotiations he had proposed, some new provisions would take precedence over certain provisions of the ABM Treaty.

His proposal would enhance strategic stability, the President went on, while diminishing the burden we both bear of continuous modernization and expansion of strategic offensive forces. His proposal envisions careful management of a transition to a

stabilizing balance of offensive and defensive forces. His proposal would also lead to the total elimination of offensive ballistic missiles.

The President continued that he was willing to discuss Gorbachev's concerns. They fall into two categories.

Gorbachev had suggested that our defense might be used to attack the Soviet Union. He could assure Gorbachev that it is not being developed for that purpose.

Some argue, the President went on, that SDI will inevitably lead to space-based weapons with an offensive capability against earth. That's not true. The quickest, surest and most effective way to strike earth targets is with ballistic missiles. We already have agreements banning weapons of mass destruction in space. If Gorbachev had additional concerns on this subject, the President said, we are prepared to work with the Soviets to resolve them.

Second, the President continued, Gorbachev had suggested that we might launch a first strike against the Soviets and use our defenses to prevent retaliation. We don't have that capability, and that is not our objective. But Gorbachev's concern had led the President to propose a treaty now which would lead to the elimination of all offensive ballistic missiles. Once we do that, the issue of a combination of offensive and defensive forces giving one side or the other an advantage would not arise. We would have a less costly, safer and more stable relationship.

The President said we would thereby eliminate weapons which can strike in minutes and cannot be recalled. We would end once and for all the instability that results from fears of a disarming missile first strike.

Under his proposal, the President went on, defenses would reinforce the stability achieved by eliminating ballistic missiles. Defenses would also protect each of us against cheating or the ballistic missiles of third countries. The U.S. seeks above all replacement of offensive ballistic missiles with defenses in a phased manner that provides greater stability at each stage in the disarmament process.

We are even prepared to share the benefits of strategic defense, the President said. We will agree now to a Treaty committing to do so in conjunction with the elimination of ballistic missiles.

If we eliminate all offensive ballistic missiles, the President continued, our deployments could be adjusted accordingly. Our remaining forces would be far more stable. Neither bombers nor cruise missiles are suitable for surprise attack. They are slow and vulnerable to unconstrained Soviet air defenses.

We need to consider the timing and phasing of a transition to strategic defense, the President said. The principles which would guide the U.S. in a transition would be equity (the interpreter translated "equality") and stability at every stage.

The President pointed out that his proposal is a very significant step. It would require very serious negotiation, but he was convinced that it gave us our best chance to put the security of both our nations on a better, more stable and long-term basis.

With respect to Gorbachev's suggestions of that morning, the President said it was not clear to him what would be the subject of the negotiations Gorbachev had suggested. Would it be what we have proposed, he asked, including sharing the benefits of defenses and the elimination of ballistic missiles?

Gorbachev said he would answer that later.

Turning to nuclear testing, the President said he welcomed Gorbachev's recognition that there should be an appropriate relationship between the requirement and existence of nuclear weapons and their testing.

The President said we need essential verification improvements for the Threshold Test Ban Treaty and Peaceful Nuclear Explosions Treaty. His top priority in the nuclear testing area was to fix the defective verification protocols of these two treaties. If the Soviets could agree on Cortex monitoring, or some other equally effective system they might propose, we would ratify these treaties, the President said.

We have told Congress we will submit them for ratification, he went on. As a symbol of the importance he placed on this area, he had formally advised Congress that he would submit the treaties for ratification when Congress convened early next year.

If there is no resolution of verification, the President continued, we will work out a reservation on ratification. He had further advised the Congress that, if the Soviets do not agree to the required verification improvements, he would ask the Senate to consent to ratification with a reservation that delays the effective time of such ratification (the interpreter translated "entry into force") until he certified that the treaties can be effectively verified.

Congress supports this approach, the President said. The Congressional leadership supports it. Gorbachev should be under no illusions that there is division on this issue within the U.S.

Let's agree to fix the treaties now, the President urged. Let us make immediate progress in the nuclear testing area by agreeing here to fix these two treaties. That would be a sound and logical approach. Then we will move beyond the TTBT and PNET and immediately engage in negotiations on ways to implement a step-by-step parallel program -- in association with a program to reduce and ultimately eliminate all nuclear weapons -- of limiting and ultimately ending nuclear testing.

The President said he wanted to make progress. But Gorbachev had to know that neither a test moratorium nor a comprehensive test ban is in the cards for the foreseeable future.

Perhaps, the President concluded, we can see if we can find common ground based on Soviet ideas and our ideas.

Turning to risk reduction, the President said he was pleased with the progress we have made. Let's move to agreement, he urged. He saw no reason, given the progress we had made so far, why we cannot agree on the goal of signing a formal agreement to establish these centers when Gorbachev came to the United States.

Turning to compliance, the President said it is essential. Strict compliance with existing agreements is essential to make progress on arms control. He could not stress enough how important this is. His policy decisions regarding SALT I and SALT II were the result of Soviet non-compliance. And Krasnoyarsk was especially important in this regard.

In conclusion, the President said it appears that significant progress is possible. He proposed that they both put their experts that night. Perhaps they might meet at 8:00 right there in Hofdi House. They could discuss all the issues the leaders had identified: strategic offensive weapons, intermediate-range nuclear forces, defense and space, nuclear testing. If Gorbachev agreed to this proposal, the U.S. side would be represented by the same group that had discussed these issues this summer: Ambassador Nitze, Ambassador Kampelman, Mr. Perle, Ambassador Rowny, and with Mr. Adelman replacing the two negotiators who were absent.

Believe it or not, the President said, he had come to the end.

Gorbachev said that before he reacted, however briefly, to

the President's remarks, which had covered a large number of issues, he had some questions for clarification.

His first question concerned strategic offensive missiles. He asked whether the President agreed to his proposal about 50% reductions in this type of system. Was this correct?

The President replied, "Yes."

Gorbachev continued that if he understood correctly, the President had mentioned 7500. This variant had been discussed in Geneva recently, but it involved a 30% reduction.

Secretary Shultz said the right figure was 6000. Hopkins said he had made a mistake and said 6000. The Secretary explained that this meant 4500 and 1500, with agreement to limit ALCMs.

Addressing the President, Gorbachev said they had been talking about one of the impasses the Geneva negotiators had not been able to end, concerning sublimits. He had a sheet of data on the nuclear systems of the Soviet Union and the United States. The proposal was to reduce these by 50%, and since this was so, he said, let us agree to reduce all the types the Soviet Union and the U.S. have by 50%: land-based, sea-launched and those carried by strategic bombers. The whole arsenal would be reduced by 50%, as would all types. The structures have evolved historically, and if we proceed to reduce it by 50% across the board, we will reduce the level of strategic confrontation. The structure will remain the same, but the level will be lower, and this will be clear to everyone. Then the disputes which have been going on for years about limits and sublimits will be superseded by 50% reductions. The level of confrontation will be cut in half.

He asked whether the President agreed to this.

The President noted that he himself had included gravity bombs.

Gorbachev said those were details, and Shultz knew this. The Soviet Union was proposing steps to meet U.S. concerns. This included the SS-18, the heavy missiles, which would be included in the 50% reductions too. Shultz was hearing this for the first time. We should act to untie the knot. It can be done. Otherwise Karpov and Kampelman will continue beating around the bush. We need to take political decisions.

He proposed a 50% reduction in all types of these weapons, Gorbachev repeated. Bombs and some other matters can be discussed as we proceed. If the Soviets saw that the U.S. was not trying to take side bypasses in order to gain some advantage, they would take steps to accommodate us. If they saw us doing that, they would say so.

The President replied that this should be taken up by the experts, if Gorbachev agreed to his proposal. He himself did not know all the numbers. But he did know that the Soviets outnumber us by a lot. If we cut by 50%, they would still have more than we do. Our number is smaller. But it was an interesting idea.

Gorbachev replied that this is not a matter for the experts. Passing over his data sheet, he said here is the data; let us cut this in half.

The President reminded Gorbachev he had said the idea was interesting. Gorbachev should give the U.S. side a chance. The Secretary commented that it was a bold idea, and we need bold ideas. Gorbachev agreed that this was what we need. Otherwise it goes back to Karpov and Kampelman. This was the kind of porridge we have eaten for years.

The President pointed out that the Soviet figures showed over 500 bombers for the U.S. In reality we had something over 200 functioning bombers. The rest were old and getting older. The Secretary suggested that those might be candidates for cutting. The idea was an interesting one, and we would look at it carefully.

The President asked if he could keep Gorbachev's data sheet. Gorbachev replied that he was giving it to the President. Now the President had all their secrets. Otherwise, he saw no way out of the forest. But if he felt the U.S. side was trying somehow to outsmart him, it would be the end of the negotiation.

The President said this would not happen. He asked if Gorbachev agreed to his proposal for a meeting of experts. Gorbachev said that he did, and would give the instructions. Q

Returning to the question of advantage, the President recalled the time, after the War, when we were the only ones to have nuclear weapons. We had offered to give them up, to turn them over to international control. We could have dictated to the whole world, but we didn't.

Gorbachev said he would like to turn to his next question. He saw that the U.S. did not like the U.S.-proposed zero option for medium-range missiles. The President replied that he liked it a lot, but on a global basis.

Gorbachev asked what had to be done for the global zero option to be acceptable. The President replied that if we got rid of them globally, this would be fine, and he was all for it.

But if they were eliminated only in Europe, and the Soviets retained a number of missiles supposedly targetted on Asiatic countries, but were in range of Europe and easily moved, we do not have equivalent systems. Zero should mean elimination of a whole category of weapons, for both Europe and Asia. ||

Gorbachev said that the U.S. had nuclear weapons in South Korea, on bases in Asia, and forward based systems there as well. He believed that U.S. concerns had been addressed: in Europe elimination of all medium-range missiles, a freeze on short-range missiles up to 1000 kilometers and then negotiations on them, and beginning negotiations to resolve the problem in Asia, and therefore the whole problem. The Soviets had set aside British and French systems. This was a concession. They had taken forward-based systems out. Why could the U.S. not take a single step to accommodate Soviet concerns, he asked. Their proposal was simple: resolve the issue in Europe, and begin negotiations to resolve it in Asia later.

The President said that we do not have ballistic missiles based in Asia. We have naval forces there, but both sides do, and the Soviet navy is bigger than ours.

Gorbachev replied that it does not matter to the Soviets if the bomb dropped on them is from a carrier or a base. The U.S. has bases in the Philippines. If the President was saying that these could be discussed, the Soviets were ready. All these questions should be discussed. On Europe, they should instruct their negotiators to agree to the full solution of complete elimination, setting aside the British and French systems, freezing short-range systems and then negotiating on them. In Asia both sides had concerns, but negotiations should begin, and he was sure the issues would be resolved.

The experts could discuss this in the evening, Gorbachev said.

The President agreed they should discuss it. He reminded Gorbachev that he had talked about these issues several times, including in Geneva. Gravity bombs should be distinguished from missiles which could blot out whole sections of the earth in minutes. A plane takes time to get to its target. That should not be compared to a missile which can get there in minutes. He was willing to talk about limiting the number of bombers both sides can have. But bombers cannot be compared to a missile.

Gorbachev asked what would happen if we eliminate the missiles and bombers with nuclear weapons are still flying. The President said this indicated the importance of not stopping here, with these weapons. We needed to tackle conventional weapons too. The other question is what if the Soviets had SS-20s in Asia and we took ours out of Europe. The Soviets could

then still reach targets in Europe. The deterrence is the threat of retaliation. The Soviets still could hit. We have bombers, but by the time they can drop the Soviets could already have blown up Europe with their missiles. That was not much in the way of retaliation. They would be facing extensive missile and anti-aircraft defenses. That was not an equal approach.

The President said he kept forgetting Gorbachev was not understanding before the interpretation.

Gorbachev replied that he did not think this was a logical argumentation. They were suggesting solving the problem in Europe first of all. They had compromised on the British and French systems, but those would remain substantial arsenals. Arithmetic is not enough. He thought the U.S. just didn't want to remove its missiles from Europe. If that was so, the President should just say so.

Soviet missiles in Asia could not reach targets in Europe, unless that meant the Ukraine and Byelorussia.

Gorbachev said his question was: "If we find a solution on Asian missiles, do you accept zero in Europe?"

The President said the answer was "Yes." We put our missiles there because of the SS-20s. We had been requested by our Allies to do so as a deterrence against a possible attack by SS-20s. It had fallen to him to make the deployment; the request had been made to the previous Administration. He had seen maps that showed the SS-20s could hit, perhaps not England, but France, Germany, countries in Central Europe, and down to Greece and Turkey from Asian bases. Moreover they are mobile, if the Soviets choose to move them.

The President asked whether it wasn't true that they were revealing something he had talked about in Geneva. Before we can get around to weapons we have to find out what causes mistrust between us. If we could only get to that mistrust, there would be no problem about what to do with the weapons.

Gorbachev replied that the President was right. He had said Soviet missiles in Asia could not reach European targets. All the experts know that. But the President did not believe it. And in addition it was also true that any agreement would be based on very clear criteria: no missile could be moved, verification would be defined, and it would be strict verification.

Let our experts discuss medium-range missiles, Gorbachev concluded, the President's ideas and his ideas. But did he understand that if they reached solutions, the President favored

the zero option?

The President replied, "Yes."

Addressing the President, Gorbachev asked how, if what we are really doing is beginning to reduce strategic missiles and eliminate medium-range missiles, the two leaders of these nations could destroy the ABM Treaty, which is the only brake on very dangerous developments in a tense situation. How can we abandon it when we should be strengthening it, he asked. If we begin reductions, we should agree that it is important for both to have assurances that no one is going to develop systems that threaten stability and parity, especially when they are reducing.

Gorbachev continued that it is therefore logical that both sides proposed to accept the obligation not to withdraw from the treaty for a number of years. Numbers were the only difference. The Soviet side had proposed ten years, during which large-scale reductions would be taking place. This would certainly be needed. Otherwise one side could believe that the other was doing something behind its back. So it was logical to commit to 10 years and limit work to laboratory research only.

Turning to nuclear testing, Gorbachev said his proposal was a compromise which covered the U.S. proposal too. They would direct their negotiators to begin negotiations for a total ban, but this would take time, and in the first stage of negotiations a number of issues could be considered: reducing yields, the number of tests, the future of the treaties. All would be elements of these negotiations. Then no one could say we were engaging in cosmetic negotiations, to deceive opinion. We would say we were beginning full-scope negotiations which would include all these things. It would be clear movement had begun toward a total ban, at some stage.

The President replied that this was interesting, and their people should take it up. With regard to the ABM Treaty, we believe the Soviets have violated it already by the extent of their defenses, what they have built. He himself thought that SDI was the greatest opportunity for peace of the 20th Century. But we are not proposing to annul the Treaty. Rather, we are proposing to add something to it with our proposals on defensive measures that both would have, and agreeing to share the benefits if these measures prove feasible.

Gorbachev proposed to arrange things as follows: he agreed to the President's proposal that experts meet at 8:00 PM to consider all the suggestions put forward in the two meetings between the President and the General Secretary. He would

be instructing his people to look for genuine solutions in all areas of nuclear arms, including verification. Now that we are getting down to the specifics, the Soviets would be fighting for verification. They will want it three times more than the U.S. side.

The President said we are both civilized countries, civilized people. When he was growing up -- a little before Gorbachev had been growing up -- there had been rules of warfare that protected non-combatants, civilians. Now, with the ABM Treaty, we have horrible missiles, whose principal victims are civilians. The only defense against them is the threat of slaughtering masses of other people. This is not civilized.

He was proposing something to change this, the President went on. It was something to be shared. It was not for one country only. It would protect people if a madman wanted to use such weapons -- take Qaddafi; if he had them he would certainly have used them. This would not happen in their time. It would be in someone else's time. But he asked Gorbachev to think about us two standing there and telling the world that we have this thing, and asking others to join us in getting rid of these terrible systems.

Gorbachev said his remarks in reply would be less philosophical, more prompted by the nature of what they had been discussing, which was practical.

The Soviets had proposed to enter a period of proceeding to reduce the nuclear weapons of both sides, both strategic and medium-range, and to strengthen the ABM Treaty so they could have the confidence needed while reducing. They think the period should be for a minimum of ten years, with very strict compliance with all the provisions of the ABM Treaty. That was his first point.

The second point, Gorbachev went on, was that they were accommodating the U.S. side concerning the continuation of laboratory research, to enable the U.S. to see whether it wanted a full-scope three-echelon strategic defense or something else. This, by the way, was consistent with Soviet plans too, for the U.S. would not be able to deploy the full system by then, but only some things in it. Within that period both countries would reach arsenals that, while still huge, would be much reduced. During that period anti-missile defense would make sure that no terrorist, or lunatic, or madman could do what he wanted.

Gorbachev continued that he could tell the President that at present SDI was not of military concern to the Soviet Union. The Soviet Union does not fear a three-echelon system if the U.S. decides that is what it wants. The Soviet response will be not symmetrical, but asymmetrical. The U.S. had money, and could do things the Soviets could not. The Soviets had a different concern.

It was to convince their people, and their allies, that they should be prepared to begin reductions while the ABM Treaty is being destroyed. This was not logical, and their people and allies would not understand it.

The President said that the ABM Treaty is a defensive systems treaty. The Soviets had built up quite a defense, and the U.S. had not. All the U.S. is saying is that in addition to the missiles covered by this treaty, here is something bigger, that we want the world to have. We are not building it for superiority. We want all to have it. With the progress we are making we do not need 10 years. He could not have said that a few years ago, the President commented. We do not think it will take that long. Progress is being made.

Gorbachev said that the Soviets are not going to proceed with strategic defense themselves. They will have another approach. He took note of the President's statement that less than 10 years would be needed.

Let us turn our experts loose to work, Gorbachev said. The two of us have said a lot. Let them go to work now.

The President noted that they had been so wrapped up that they had not touched on regional, or bilateral or human rights issues, with a view to developing instructions to moving these along. He proposed that an experts' group meet on these issues too. On the U.S. side it would be Ridgway, Matlock, Rodman, Simons and Parris. He proposed that they go to work that night. Tomorrow would be the final day to see if we can come close on things.

Gorbachev agreed there should be two groups. He would think about the composition of the Soviet group, and Shevardnadze would get back to Shultz about it. Both should start at 8:00 PM.

The President proposed that the next morning's meeting be moved up to 10:00 AM. Gorbachev agreed.

The President said he had one closing remark. Gorbachev had said the Soviets do not need SDI, and have a better solution. Perhaps both sides should go ahead, and if the Soviets do better, they can give us theirs.

Gorbachev replied that the Soviet solution would not be better, but different. He was sorry to say that with regard to sharing he could not take the President seriously; speaking frankly. The U.S. was unwilling to give the Soviets oil drilling

equipment, automatic machinery, even milk factories. For the U.S. to give the products of high technology would be a second American Revolution, and it would not happen. It was better to be realistic. This was more reliable.

The President said that if he thought the benefits would not be given to others, he would give up the project himself. Gorbachev rejoined that he did not think the President knew what the project contained.

The President said he had some lists concerning human rights to give Gorbachev. Gorbachev said he would accept them, and, as always, they would be carefully considered.

Drafted: TWSimons, Jr.
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