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THE WHITE HOUSE

WASHINGTON

SYSTEM II  
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MEMORANDUM OF CONVERSATION

SUBJECT: First Plenary Meeting (U)

PARTICIPANTS:

US

The President  
Secretary George P. Shultz  
Secretary Frank C. Carlucci  
Senator Howard Baker  
General Colin Powell  
Ambassador Rozanne Ridgway  
Ambassador Jack Matlock  
Mark Parris, Department of State (Notetaker)  
Nelson C. Ledsky, NSC (Notetaker)

USSR

General Secretary Mikhail Gorbachev  
Chairman Andrei Gromyko  
Foreign Minister Eduard Shevardnadze  
Defense Minister Dmitri Yazov  
Politburo Member Aleksandr Yakovlev  
Secretary Anatoly Dobrynin  
Deputy Minister Aleksandr Bessmertnykh  
Mr. Chernyayev  
Ambassador Yuri Dubinin  
Mr. Victor Sukhodrev (Notetaker)  
Mr. Sredin (Notetaker)

DATE, TIME May 30, 1988, 10:00 - 11:45 a.m.  
AND PLACE: St. Catherine's Hall, Kremlin (U)

While photos were being taken, General Secretary Gorbachev commented that the President had been warmly received by the Soviet people during his first day in Moscow. The Muscovites' feelings were sincere; nothing had been arranged for the President's benefit. It was all spontaneous. (S)

When the room was cleared, General Secretary Gorbachev opened the meeting by welcoming the President and his delegation. He commented that the delegation on both sides represented the most powerful and representative assemblage in many years. Indeed, it was 14 years since there had been a visit like this to Moscow. The people of the world looked with interest to these meetings in Moscow, which can have an enormous impact on world politics and international relations. (S)

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The General Secretary then called attention to the warm greeting the President was receiving from the Soviet people. The response in the streets was spontaneous. It did not have to be arranged or organized. "The Soviet people have a high regard for you, Mr. President, and for the American people," continued the General Secretary. Secretary Shultz and Foreign Minister Shevardnadze have established a good working relationship. Meetings have begun between our two defense ministers. What has taken place in the last 24 hours has merely emphasized the warm sentiment the Soviet people feel toward America and the American people. (S)

"If, as you say in the West, 'politics should reflect the will of the electorate,' then relations between us should grow more cordial," Gorbachev continued. "You can see how the Soviet people feel. I understand the American electorate also favors a resolution of differences with the Soviet Union. Both peoples and the world at large are following the course of our deliberations. Our successes can benefit mankind. Similarly, every small mistake we make will be known around the world and lead to complaint and bitterness." "So," Gorbachev continued, "both of us must play our roles carefully, recognizing the importance of our task and displaying maturity and responsibility in dealing with the problems before us." The General Secretary concluded by suggesting that the two leaders continue the progress begun at Geneva. (S)

The General Secretary then turned to his notes and said he believed that today would be given over to a general discussion of the state of the relationship. He then called on the President to make the first comments. (S)

President Reagan observed that today was Memorial Day in the United States. This is the day, he explained, when our citizens honored those who had died for their country on the battlefield. The President observed that, during the preceding photo-op, when the press had asked Gorbachev if he had a Memorial Day message for the American people, the President had thought of all those who had died in previous conflicts. It had occurred to him that those sitting around the table were at that moment the most important in the world in terms of their ability to influence prospects for peace. That was the spirit in which he hoped to begin the present meeting. (S)

The President said that he was glad that the two leaders had begun their discussions the day before with a review of human rights issues. That underscored the pride of place such issues held in our relationship. As the experts would be continuing their discussions in working groups, the President suggested moving on to new subjects. (S)

Noting that the day before he and Gorbachev had agreed on the need to find ways of dispelling preconceptions, the President stressed the importance he attached to continued expansion of

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academic, cultural and other exchanges between the two societies. People-to-people exchanges, especially among the young, would contribute directly to better understanding, and thus to improved future relations. (S)

The President therefore proposed that the two sides dramatically expand high school exchange programs to allow hundreds, and eventually thousands, of Soviet and American young people to visit and learn in each others' schools, and to get to know each other's country first-hand. The President said he would mention this idea in his public remarks while in Moscow, adding that specific suggestions would be shared with Soviet representatives. In essence, the US proposal was to establish lasting institutional ties between individual American and Soviet high schools. The program could begin with 25 or 30 schools the first year, building to 100 in each country the second year. We would foresee, finally, 10 students, with appropriate adult escort, from each school, for a total of 1000 students for each side per year. (S)

General Secretary Gorbachev said he could agree with the spirit of what the President had proposed. Before commenting in detail, however, he wanted to return to something the President had said -- the notion that the people around the table had a great responsibility for seeking to change the world for the better. Gorbachev thought that in light of the progress which had been achieved since the Geneva Summit, it was possible to draw some conclusions. (S)

First, General Secretary Gorbachev stated, it was important that the two sides meet regularly to discuss their differences. Second, the important political consultations now underway between the two countries' leaderships -- as reflected in the important statements which had been issued -- was acquiring a powerful momentum in world affairs. The ideas embodied in the Geneva statement, e.g., the notion that neither side would seek military superiority, had lost none of their force. It would be well to "corroborate" the Geneva document with an equally significant statement to the effect that it would be uncomfortable to achieve by military means results with which the world could feel comfortable. (Gorbachev quipped that he could see Carlucci's reaction, but not Yazov's.) Rather, the two sides could affirm the need to resolve difference by political means. Such a statement would provide positive momentum for years to come. (S)

As for the President's specific proposal, Gorbachev could say that the Soviet side accepted it and was willing to discuss it in practical terms. The two leaders' colleagues could get down to business on the idea. Gorbachev agreed that exchanges, especially among the young, were seeds which could bear good fruit later on. (S)

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Moving on to arms control, the President noted that experts were already at work, but volunteered to summarize the state of play. The two sides' discussions on arms reductions had come a long way since the Geneva Summit. Progress had been registered across the whole spectrum of arms reduction problems, from intercontinental strategic forces to conventional forces, nuclear testing and chemical weapons. At each of the two leaders' meetings, they had been able to add another piece to the foundation. They should do the same in Moscow. (S)

The INF Treaty reduced arsenals for the first time in the nuclear age, and set a tough new standard for verification. The two sides were well along the way to a START agreement. The President wanted to move ahead and complete START and Defense and Space (D&S) treaties that year. But we had to begin with a clean slate. Before we could enter into new agreements on strategic arms, we needed an understanding on how our concerns about Soviet activities that we considered to be violations of the ABM Treaty would be resolved. This was a very important issue, as Congress raised questions on issues which were perceived as challenges. (S)

General Secretary Gorbachev said he had the same problem with the Supreme Soviet. He felt that Congress would have difficulty fighting against peaceful proposals; it could not afford to be perceived as militaristic. But it was up to the Administration to put the issue squarely to them. (S)

The President observed that it was not as easy as that. Congress was good at pointing fingers at the Administration when it lacked a good answer for issues which arose. The INF Treaty had been a success, but we had shed a lot of blood to get it. In any case, the President hoped that, at the end of his visit, he would be able to report that ways had been found to resolve the major questions blocking new agreements. The President was prepared, if Gorbachev agreed, to review what we viewed as the main obstacles. (S)

Starting with strategic arms, the President noted that the two sides' negotiators in Geneva were working on a draft treaty to reduce strategic nuclear arsenals by 50 percent. There were several outstanding issues he and Gorbachev ought to address. First, they should agree to sublimits on ICBMs -- the most destabilizing weapons systems -- so as to strengthen stability and reduce incentives for a first strike. Second, they should work out a formula for attributing numbers to the nuclear-armed cruise missiles on heavy bombers, taking into account the differences in terms of stability between these slow-flying systems and ballistic missiles. The President noted that the US still preferred to ban mobile missiles, but was prepared to see if it were possible to pin down verification provisions for mobile ICBMs which would make it possible to determine whether limits were feasible.

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Finally, because START dealt exclusively with nuclear forces, the President proposed the two sides work out procedures for removing from START constraints older heavy bombers that were converted to conventional missions, in other words, to work out means to exclude conventional bombers. The President asked if Gorbachev wished to comment. (S)

General Secretary Gorbachev said he had a few remarks. His impression was that everything was settled with respect to medium and shorter-range nuclear missiles. It was important that the exchange of instruments of ratification of the INF Treaty would be an element in the Moscow Summit. The importance was political: this was the first disarmament treaty in post-war history. (S)

The General Secretary expressed his thanks to the US team for its contribution to the INF Treaty; he hoped that reciprocal thanks would be forthcoming, as neither side could have done it alone. It was true, he acknowledged, that the US had been the first by a few hours to ratify the Treaty. It was also well that the final Senate vote had been so high -- 93 to 5. Neither side had expected such an impressive figure earlier. True, the Soviet side had done better -- with 100 percent of the votes in favor. (S)

As for strategic offensive arms, the Soviet side had already agreed to work on the question of sublimits by linking them to resolution of the mobile missile issue. Moscow was aware that the US had concerns on this point; but so did the Soviet Union. The Soviet side, for example, wanted to apply sublimits to submarines. But if a solution could be found to the problem of mobile missiles -- both with respect to a number and to verification provisions -- it would also be possible to think about setting ICBM sublimits. The working group could work on the issue. (S)

As for SLCMs, General Secretary Gorbachev wanted to set the record straight. It had been agreed in Reykjavik that SLCMs should be constrained. If they were not, and the two sides started down the path of 50-percent reductions, it would open the gate for a whole new arms race. There must be clarity on this point. Did Gorbachev correctly understand that the US was now prepared to agree to a limit on SLCMs? (S)

Secretary Shultz said that the President had been talking about ALCMs. (S)

General Secretary Gorbachev said he had misunderstood. There was a saying in Russian: "He who has a hurt, keeps talking about it." So here was another for the President's collections of proverbs. (S)

General Secretary Gorbachev said he thought ALCMs could be discussed in a positive light. The Soviet side understood that the

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US felt it needed this system. It hoped for reciprocal US understanding of Soviet concerns about ALCMs and SLCMs. There seemed to be agreement that ceilings were necessary; it would be well if the two sides could agree on numbers. (S)

General Secretary Gorbachev said his experts told him that it might be possible to find a solution to the ALCM problem on the basis of a compromise. If so, it would improve chances for an agreement on 50-percent reductions. Gorbachev could assure the President that the Soviet side wanted to sign a treaty while the Reagan Administration was still in power. Gorbachev had said yesterday that he had once said to Secretary Shultz that the two sides had arrived at a relationship which made it possible for them to discuss things calmly. Gorbachev was sorry that the Administration's term of office was nearing an end. It was too bad it could not be extended, like Roosevelt's. But the President should know that Moscow was ready to work on a START agreement right up to the end. (S)

The President said he had some points to make on Defense and Space. The objective of SDI, he explained, was to make the US and its allies more secure, not to threaten the Soviet Union. The Soviet side knew the merits of defending itself, as it devoted far more resources to strategic defense than did the US. As the two leaders had discussed in Reykjavik, the US was willing in the context of a START agreement to agree to a period of nonwithdrawal from the ABM Treaty, after which, unless it were otherwise agreed, each side would be free to choose its own course of action. (S)

The President said he could not agree to a nonwithdrawal provision until the Soviet Union had corrected its violations of the ABM Treaty. In Washington, he reminded Gorbachev, the General Secretary had made clear that he opposed the United States investigating advanced strategic defenses. Nonetheless, he had accepted that, at the end of a nonwithdrawal period, unless agreed otherwise, each side would have the right to deploy strategic defenses if it so chose. This needed to be made clear in the agreement. (S)

The US also needed, the President continued, the right to take necessary steps if its supreme interests were jeopardized by unexpected extraordinary events. This was standard in treaties. It needed as well to protect the right to research, develop and test advanced strategic defenses during the nonwithdrawal period, and could not accept restrictions beyond those actually agreed in the ABM Treaty. We had thus proposed an agreement not to object to each others' space-based sensors. Both sides used space to collect information for a variety of purposes. It was impossible to distinguish among these purposes. Why not agree not to make this the subject of unnecessary disputes? The two sides' negotiators, the President concluded, had put together a joint draft D&S agreement text. He proposed they be instructed to press ahead. (S)

General Secretary Gorbachev said that that task could be facilitated if the US could accept a single formula in the treaty -- that, if one side violated the ABM Treaty, the other would be free of its obligations under the treaty to reduce strategic arms by 50 percent. Such an approach would make it unnecessary to discuss what was or was not permitted under the ABM Treaty. But Secretaries Shultz and Carlucci argued against this. (S)

Secretary Shultz reminded the General Secretary that the US viewed the Krasnoyarsk radar as a violation of the Treaty. The essence of the problem, however, was that the two sides did not agree on what was permitted by the Treaty with respect to research, development and testing. If that were agreed, the US would not have so many hang-ups. We had always felt that the Soviet Union agreed that during the period of strategic arms reductions, it would be a good thing to know what would be happening with respect to nonwithdrawal. But there was no such agreement. (S)

General Secretary Gorbachev said he could give the President some free advice -- even though Henry Kissinger would have charged him millions for the favor. The President, he stated amiably, was being deceived. He had initially been deceived by former Defense Secretary Weinberger; perhaps Carlucci was now doing the same thing. Some might think that it was possible to put something in space which could give the US an advantage (even though, Gorbachev pointed out, this would be contrary to one of the principles, which had been agreed to at the Geneva Summit). But during the proposed nonwithdrawal period -- nine or eight and a half years -- SDI was not a workable concept. If the President would tell his military people to confine their experiments to earth, nothing would happen. There was no need during this period for research in space. Attempts to conduct such research, on the other hand, would produce suspicion and mistrust. It would lead to a cooling of relations. That was why Gorbachev felt Carlucci, with Shultz's help, was moving the President in the wrong direction. He wanted to state this in their presence so they could defend themselves. (S)

The President said that, before they did that, he had some things to say of his own. He had come into office believing in the instability of a world whose security was based primarily on nuclear missiles. The average person could envision and was psychologically prepared to deal with the threat of conventional weapons. But when cities could be destroyed at the push of a button, it was another thing. Shortly after entering office, therefore, he had called in America's senior military leaders and asked if it would be possible to devise a system to render missiles obsolete. They had come back after consulting with our scientific community and said that, with a lot of time and resources, it could be done. The President had said, "Do it." So SDI from its inception has been a defensive weapon. (S)

General Secretary Gorbachev said that the systems being developed in connection with SDI could be used for other than defensive purposes. (S)

The President replied that Gorbachev was overlooking the President's frequently stated belief that a nuclear war could not be won and must never be fought. The President believed nuclear weapons must be eliminated. When he had been informed that SDI was possible, the President had announced, if a workable system were devised, the US would make deployment of such a system available to all countries, and would not deploy until nuclear weapons had been eliminated. (S)

But if nuclear weapons were eliminated, there would still be a need to ensure that no madman could obtain the knowledge necessary to develop a nuclear weapon and blackmail the world. The situation, the President explained, was akin to that after World War I. Poison gas had been banned, but people had kept their gas masks. The President said he really meant this. There had been breakthroughs, and US scientists were very optimistic SDI could work. But the purpose of the exercise was to eliminate the arsenals which could bring about such destruction in minutes. The nuclear accident at Chernobyl had shown what damage could be done with a release of radioactivity which was miniscule compared to that of even the smallest nuclear warheads. No one could be a victor in a nuclear war. (S)

The President reiterated that if SDI were proved workable, it could not be put into effect until nuclear weapons were eliminated. It was not an offensive weapon in any way. It was, therefore, non-negotiable, as far as the President was concerned. (S)

General Secretary Gorbachev asked why SDI would be necessary if all missiles were destroyed. (S)

The President repeated that it was like a gas mask. It was impossible to unlearn the knowledge of how to build nuclear weapons. One had to be sure that a madman like Hitler was not at some point able to build a bomb and name his terms to the world. (S)

General Secretary Gorbachev said one could not be too careful where nuclear weapons were concerned. He reaffirmed that the Soviet side believed SDI was not just a defensive system, but also would provide a means of attacking targets on Earth. The question also arose as to why, if one party wanted to build such weapons, the other should make it easy for him. It was one thing for SDI to defend against a certain number of missiles; it was another for it to stop that number times X. But if both sides devoted all their national wealth to such a competition, the discussions the two sides were having were meaningless. Stability would also suffer. The capital which had been accrued in negotiations to date would be undermined; mistrust would arise; Moscow would have to consider a response. (S)

The President reminded Gorbachev that he had offered in Geneva to share development of SDI with the Soviet Union. (S)

General Secretary Gorbachev said he had to express doubt as to that offer. He pointed out that the US had refused to work out a system of on-site inspection of SLCMs aboard US warships. How could one believe that America would open its laboratories. This simply was not serious. The two sides were talking about matters of life and death. (S)

Secretary Carlucci noted that there was a difference between verifying an operational system and exchanging data and mutual observation opportunities relating to research and development. (S)

General Secretary Gorbachev said Carlucci had not convinced him. He reiterated that the two sides should proceed on the basis of the Washington Summit statement language on the ABM Treaty. In that connection, he noted that the US had raised the question of sensors. Perhaps the experts could talk more about that. But Gorbachev urged the President to think about what he had said. The President was listening only to scientists like Teller, not to scientists, including those in Europe and the Soviet Union, who had very different views. So the experts could work, but Gorbachev hoped the President would weigh what he had said. (S)

On the Krasnoyarsk radar, General Secretary Gorbachev added, several things needed to be kept in mind. First, construction had been stopped. Second, US "scientists" (sic) had visited the site and found nothing. Finally, the Soviet side had expressed its willingness totally to dismantle the radar if an agreement were reached. Gorbachev reminded the President that there were also US "forward" radars which should not be forgotten. But experts could discuss all of this, "including the US sensor idea," in Geneva. (S)

Moving to verification, General Secretary Gorbachev stated that the problem here was resistance on the part of the US leadership and US Navy. The President had earlier been a strong advocate of verification. Now the Soviet side had to talk the US into it. Was the earlier position a bluff? It was the same for chemical weapons. Now it seemed that factories and ships could not be included. What was to be inspected? The White House and Kremlin? The two leaders had now visited both sites themselves. They had to move forward on verification. (S)

The President said he thought both sides understood the importance of excluding certain things which bore no relationship to weapons. For example, on mobile missiles, we were talking about how to count them, not how they were manufactured. The key was to be able to determine if agreed ceilings had been exceeded. That went for the Soviet side as well. That was the problem verification had to deal with, rather than exposing techniques one side or the other was using to manufacture weapons. (S)

General Secretary Gorbachev said he agreed, but stressed that the two sides should be talking verification in comprehensive terms. Privately owned facilities should not be excluded. Ownership was irrelevant; the question was what could be produced. Moscow would be very stringent on verification issues. (S)

Secretary Shultz clarified that the question of excluding private manufacturing facilities had arisen in the CW negotiations. For its part, the US was not drawing distinctions on the basis of private versus government ownership. Secretary Carlucci noted that neither had we made this an issue in negotiating the INF Treaty. (S)

General Secretary Gorbachev suggested that the US may have removed its demand with respect to CW. In that case, the only obstacle to conclusion of a CW convention was the US binary program. (S)

Secretary Shultz noted that the President had some points on CW. There had been some progress on that issue. There was a good statement to be included in a Summit concluding document. The Secretary recalled what a strong impression photographs of the effects of CW use against Kurdish civilians in the Iran-Iraq War had made at the time of Foreign Minister Shevardnadze's March visit to Washington. This had redoubled our determination to come to grips with this issue. This was why it was essential that all states with CW manufacturing capability sign on to a convention. (S)

The President said that the language in the agreed joint statement would help bring about further progress. Nonetheless, much work remained to be done on a chemical weapons ban, especially in the areas of verification and ensuring the participation of all states. And no solutions were yet in sight for these problems. The situation was similar to that with respect to strategic defense. Given the conflicts in the world, any CW ban had to be comprehensive. Both sides ought to work toward that goal. (S)

General Secretary Gorbachev said he had consulted his notes, which indicated that as yet there was no agreement on the question of inspecting private and multinational plants. Was there a change in the US position? Was it true that the US was not excluding such facilities? (S)

Secretary Carlucci confirmed that the US was not excluding private facilities. (S)

General Secretary Gorbachev welcomed this clarification. This was what he had wanted to be clear on. (S)

General Powell pointed out that the disagreement was over the size of the "net." No one was talking about declaring "open season." Categories needed to be carefully defined. (S)

General Secretary Gorbachev asked how that squared with the President's concern that prohibited activities could be taking place without the knowledge of parties to a convention. General Powell's clarification had raised questions about the workability of a CW verification scheme. If there were a convention, anyone with a manufacturing capability should adhere. This, in turn, implied comprehensive verification provisions. But this was an issue for further discussion at another time. (S)

For the moment, General Secretary Gorbachev continued, he wanted to address the US proposal for an agreement on launches of missiles within national territories. Secretary Shultz noted that the US proposal had related to ballistic missile launches. General Secretary Gorbachev said that the Soviet side agreed to the proposal. It had an additional suggestion to make, but authorization should be given to finalize the US proposal for signature during the President's visit. Secretary Shultz said we could do that. (S)

General Secretary Gorbachev continued that the Soviet side would also like to propose that experts reach agreement -- or at least begin discussions -- on launches of ALCMs and SLCMs, as well as of mass take-offs of 100 or more heavy bombers, of exercises of strategic forces, and of ballistic missiles in depressed trajectories. Agreement on such steps would increase predictability and reduce the threat of miscalculation. So perhaps experts could study this even as they elaborated an ICBM test launch notification agreement. (S)

Secretary Carlucci asked if Gorbachev was proposing to ban depressed trajectory missile test launches, or simply to notify in advance that they would take place. (S)

General Secretary Gorbachev said he was talking about notification. As for depressed trajectory tests, he was not proposing a ban, but that could be discussed. The US had proposed this at one point. It could be discussed. (S)

Secretary Shultz noted that there were two things to consider. One was an agreement on ballistic missile test launch notification, regardless of trajectory. That could be signed in Moscow. (General Secretary Gorbachev interjected that he was talking about launches within national territories.) Secretary Shultz said that the second issue was a proposed discussion of notification of other activities. This was something we could certainly agree to study. (S)

General Secretary Gorbachev said this might be reflected in instructions to delegations in a joint statement. The President said that a test launch agreement would be a concrete example of the progress being made by our START delegations. (S)

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General Secretary Gorbachev suggested moving on to a discussion of conventional weapons reductions in Europe. Things seemed to be moving in a good direction, and it appeared it would be possible in the near future to agree on a conference. The key was agreement on the substance of the negotiations. Foreign Minister Shevardnadze had briefed the General Secretary on the Foreign Ministers' discussions in Geneva with Secretary Shultz, where agreement had been reached on a formula to describe that substance. The formula was: "the subject matter of the negotiations will be conventional armed forces and conventional armaments and equipment. No conventional forces, armaments and equipment are to be excluded because they are capable of employing other than conventional armaments. Nuclear weapons are not a subject of negotiations."

General Secretary Gorbachev asserted that the ministers had agreed that the formula should be referred to the mandate negotiations in Geneva for further work. If the US was willing to confirm this approach, the Soviet side was willing to decide the matter now and have that reflected in the joint statement. This would have tremendous significance. (S)

The President asked if Gorbachev had said that no nuclear weapons should be included. It was the US view that the Soviet side enjoyed an advantage with respect to conventional weapons. We believed that inequality should be eliminated before we addressed battlefield nuclear weapons. To focus on nuclear weapons would leave a disparity. If one were really interested in defense, neither side should retain a superiority. (S)

General Secretary Gorbachev reminded the President that that issue had come up during the Washington Summit. Gorbachev had questioned whether the Soviet Union enjoyed conventional superiority when one considered the area from the Atlantic to the Urals. To resolve that question, the Soviet side had since proposed an exchange of relevant data. For some reason the US did not like the proposal. Did the President know why? It was because there was no superiority on the Soviet side. Propaganda was one thing. But facts were facts. There was a certain Soviet advantage in the Central area; but on the southern flank, NATO had an advantage of 1.5 to 1. By a different measure, the East had an advantage in tanks; but the West had an advantage in air power. (S)

Secretary Carlucci pointed out that the Warsaw Pact had more aircraft deployed than NATO. General Secretary Gorbachev said this was not a serious way of looking at the problem. (S)

The General Secretary again stressed that it would be good to get down to actual negotiations on conventional arms. As Moscow saw it, there should be three stages. (S)

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The task of the first would be to identify and remove imbalances and asymmetries. To do that, the Soviet side proposed baseline on-site inspections to remove any differences in assessments. In a nutshell, if the subject matter of the negotiations could be identified, if there were an exchange of data right away, it would be possible to get down to negotiations and see how the data corresponded to reality, and then see how to reduce any asymmetries. (S)

A second stage would reduce forces by 500,000 on a side. A third would give the remaining forces a defensive character incompatible with the conduct of offensive operations. At any stage, the Soviet side would be prepared for reciprocal mutual reductions with respect to tactical nuclear weapons, dual capable aircraft, tanks, etc. It would also be prepared to consider agreements on measures to establish corridors separating forces from one another, nuclear free zones, and similar confidence building measures. (S)

General Secretary Gorbachev asked why the US and West European governments were holding back in this area, acting as if Soviet proposals were a red flag to a bull. The two sides needed to get beyond propaganda. A good basis had been laid for statements in Moscow. (S)

Secretary Shultz said that both sides wanted to move ahead on conventional arms reductions. The question was how to do so. We believed the best way was to start in Vienna and complete a mandate. Gorbachev had read a statement which the ministers had discussed in Geneva. It was a good statement. But it had to be marketed to our respective allies. This would be easier if it came forward as a proposal in Vienna. If we handed our allies something which looked as if it had been agreed in advance, they would get sore. So we believed that the substance that had been talked about was satisfactory; the task now was to find a way to move forward in Vienna. (S)

General Secretary Gorbachev asked what should be said in a Moscow final document on the matter. (S)

Secretary Shultz said that we needed to be careful. Most of the weaponry being discussed did not belong to the US. It would be better for the idea to emerge in Vienna than in Moscow. (S)

General Secretary Gorbachev asked what role the Summit could play in this. Should it not confirm what Secretary Shultz and Foreign Minister Shevardnadze had said in Geneva? And then it could be sent to Vienna to be finalized. (S)

Secretary Shultz said that the language agreed to in Geneva was good. We had agreed to get it into play in Vienna. What had happened then, however, was that the Soviet representative had described it as "agreed." This had riled our allies. We were

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now seeking to get them to agree to the approach which had been discussed. We didn't want to aggravate the situation. (S)

General Secretary Gorbachev asserted that the two sides' recent experience in finding formulae suggested communique language could be found which, rather than cause problems with each side's allies, would lead them to applaud. (S)

Secretary Shultz said that, in addition to agreeing on a mandate, there was the question of a balanced outcome to the Vienna CSCE Follow-up meeting. We needed to see some outcome in the human rights basket which would satisfy our concerns. (S)

In this regard, the Secretary had read the day before the recently published, so-called "theses" for the upcoming 17th CPSU Conference. (Gorbachev asked why the Secretary referred to them as "so-called." They were in fact theses. Secretary Shultz said he stood corrected.) In any case, the document was clearly one of the most significant to appear in the Soviet Union in a long time. (S)

What had particularly struck the Secretary was that the Soviet representative to the Follow-up meeting ought to read the theses. The attitude he was currently displaying in Vienna would make it impossible, if applied to the Soviet Union itself, to reach what the theses described. If, on the other hand, one could get the right outcome on human rights in Vienna, it would be possible to move ahead on a mandate. (S)

Secretary Shultz added that the US had no problem with the concept of a data exchange, although our 14 years of experience with MBFR gave us some pause on that score. We recognized the need to get on with the substance of conventional forces. So what was needed was to give the right stimulus in Vienna, as we had been able to do during the Stockholm CDE endgame. (S)

General Secretary Gorbachev asked if the President had noted the Soviet proposal that, once negotiations on conventional forces began, on-site inspections would be used to identify asymmetries and then act. Something seemed to be emerging. This reminded Gorbachev of a story his granddaughter had told him recently. It seemed an old man and woman one night had heard a knock at the door. Opening it, they found an egg, which they put under their hen. But when it hatched, a three-headed dragon emerged instead of a chick. On conventional forces, Gorbachev said, both sides needed to be sure they got what they expected, not a three-headed dragon. (S)

Moving to a new subject, the President noted that ballistic missile proliferation in the Middle East and South Asia threatened both countries. If not stopped or slowed down, it was certain to change the military environment in the region. The last thing

either side wanted was for that to happen, but that was where things were headed. We could sit back and wait for Iran, Libya and others to marry up chemical warheads with ballistic missiles. Or we could get serious. (S)

The President suggested it would be possible to talk seriously about respective assessments of the problem, and about ways to apply diplomatic and public pressure on those providing the material and know-how to countries in the region, as well as about strategies for working with friends to stop or control this trend. Noting the recent use of ballistic missiles in the Iran-Iraq War, the President expressed the hope that the Soviet side was ready for such a discussion. (S)

General Secretary Gorbachev agreed that this was a real problem. Moscow had been disturbed when missiles it had sold Iraq had, with the aid of Western nations, been given a range of 700 km. It appeared that China and Brazil had been involved. So the problem existed. The two sides should express their concern about this and take it into account in their practical policies. What would happen, for example, if ballistic missiles were used against France, which relied on nuclear plants for 60 percent of its power. (S)

Secretary Carlucci said the US was prepared to engage in such a discussion. (S)

General Secretary Gorbachev said he could agree in principle. He was ready to interact. But he did not want to surprise Yazov by agreeing without consulting with him. (S)

Secretary Shultz noted the irony of countries like China welcoming the INF Treaty and then selling missiles in the same range band to Saudi Arabia. (S)

General Secretary Gorbachev said that ultimately it would be necessary to involve other countries capable of manufacturing nuclear missiles. But, he said jocularly, that would be a decision for the President's successor to make. (S)

The President reiterated the importance in this context of ending the Iran-Iraq War. (S)

US-Soviet relations, the General Secretary said, could not be based solely on current realities, important though those realities were. Looking beyond the year 2000, Gorbachev could say off the record, he was convinced that the two countries were "doomed" to cooperate with one another. Many new factors were emerging which would force the two to cooperate. So the positive atmosphere which had been established over the past three years had to be preserved. The capital which had accumulated should be put to good use. (S)

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The President said that the people around the table could make a major contribution to peace in the future. (S)

General Secretary Gorbachev said he agreed. Noting that the time allotted for the meeting was up, he quipped that the two leaders had learned to be punctual. (S)

He and the President, the General Secretary concluded, had acquired a good deal of experience in dealing with one another. Different issues were always emerging. But they called forth new energies. (S)

The President agreed, and the meeting concluded after the two leaders engaged briefly in informal conversations with their delegations. (S)

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