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Ronald Reagan Library

Collection Name MATLOCK, JACK: FILES

Withdrawer

JET 5/11/2005

File Folder IMPORTANT HISTORY PRE-1987 [MATERIAL LEFT FOR FRITZ ERMATH] 4/4

FOIA

F06-114/8

Box Number 27

YARHI-MILO

2714

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
10139	MEMO	BROOKS/LINHARD TO CARLUCCI RE THATCHER AND NUCLEAR DETERRENCE <i>R 3/16/2011 F2006-114/8</i>	1	7/9/1987	B1
10140	MEMO	CARLUCCI TO PRESIDENT REAGAN RE THATCHER AND NATO DETERRENCE <i>R 9/30/2008 F06-114/8</i>	1	ND	B1
10141	PAPER	MRS. THATCHER AND NATO DETERRENCE <i>PAR 3/16/2011 F2006-114/8</i>	6	7/9/1987	B1
10142	PAPER	CHEMICAL WEAPONS (CW) BAN <i>D 3/16/2011 F2006-114/8; R 3/4/2013 M10-337 #10142</i>	3	ND	B1
10143	PAPER	CONVENTIONAL ARMS CONTROL <i>R 3/16/2011 F2006-114/8</i>	2	ND	B1
10144	MEMO	RODMAN TO CARLUCCI RE PRIORITY ISSUES OVER THE NEXT 18 MONTHS <i>R 3/16/2011 F2006-114/8</i>	4	7/10/1987	B1
10147	CABLE	110118Z JUL 87 <i>R 9/30/2008 F06-114/8</i>	15	7/11/1987	B1
10145	MEMO	CARLUCCI TO PRESIDENT REAGAN RE MRS. THATCHER'S VIEW OF GORBACHEV--- (WEEKEND READING) <i>R 3/16/2011 F2006-114/8</i>	2	ND	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

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B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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FOIA

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
10148	CABLE	012310Z APR 87 <i>R 9/30/2008 F06-114/8</i>	3	4/1/1987	B1
10146	MEMO	VARGO RE PROTOCOL TO LONG-TERM AGREEMENT TO FACILITATE ECONOMIC, INDUSTRIAL, AND TECHNICAL COOPERATION (EITCA) <i>R 9/30/2008 F06-114/8</i>	3	3/29/1988	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SYSTEM II
90686

ACTION

July 9, 1987

MEMORANDUM FOR FRANK C. CARLUCCI

FROM:

Linton Brooks LINTON BROOKS/BOB LINHARDT *Bob*

SUBJECT:

Prime Minister Thatcher and Nuclear Deterrence

Prime Minister Thatcher has made it clear to Senator Lugar and to Judge Webster that, during her impending visit, she wishes to discuss the subject of NATO nuclear deterrence with the President in considerable depth. We believe it would be useful to the President to review the basis for NATO's nuclear policy in order to be fully prepared for this discussion. Based on past experience, Mrs. Thatcher is quite articulate on the subject of nuclear deterrence and will be expecting a substantive, somewhat detailed, discussion.

The paper at Tab A, which is based on previous papers provided to the President, will serve as background material to help prepare the President for these discussions. We have also included shorter papers on CW (Tab B) and conventional arms reduction (Tab C).

Recommendation

That you sign the memorandum at Tab I forwarding the background papers to the President for his weekend reading.

Approve _____

Disapprove _____

Bill Heiser, Don Mahley, and Fritz Ermarth concur.

Attachments

Tab I	Memorandum for the President
Tab A	Background Paper - NATO Nuclear Deterrence
Tab B	Background Paper - Chemical Weapons
Tab C	Background Paper - Conventional Arms Reduction

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BY RW NARA DATE 3/16/11

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SYSTEM II
90686

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED

NLRR F06-114/8#10140

BY HDS NARA DATE 9/30/08

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK C. CARLUCCI

SUBJECT: Prime Minister Thatcher and NATO Deterrence

In her discussions with Senator Lugar, Judge Webster, and others, Mrs. Thatcher has made it clear that she will wish to discuss the future of NATO deterrence with you during her July 17 visit. Mrs. Thatcher is likely to press her view that we must act to avoid any preception of decoupling. I have prepared the background paper at Tab A for your use in preparing for your discussions with Mrs. Thatcher. Since Mrs. Thatcher may also raise issues on conventional arms reduction or the elimination of chemical weapons, I have also included short papers on these topics as well. I recommend you include all three papers in your weekend reading.

Attachment

Tab A	Background Paper - NATO Nuclear Deterrence
Tab B	Background Paper - Chemical Weapons
Tab C	Background Paper - Conventional Arms Reduction

Prepared by:
Linton Brooks

Copy to: The Vice President
The Chief of Staff

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TAB A

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9 July 1987

MRS. THATCHER AND NATO DETERRENCE

Although Prime Minister Thatcher has been one of your strongest supporters in Europe, she is deeply concerned that we not weaken deterrence by moving to a de-nuclearized NATO. We believe you should seek to reassure her that your policy would not weaken deterrence and that your commitment to a robust nuclear deterrent for NATO remains firm.

Background

The United States has long held that an INF Treaty must include concurrent constraints on shorter-range INF (SRINF) systems, those with ranges from about 500 kilometers to about 1800 kilometers. Following intensive consultations with our NATO allies over exactly what constraints to propose, NATO Foreign Ministers during their June 1987 meeting in Reykjavik, endorsed the global elimination of U.S. and Soviet land-based SRINF missiles. As a result, you formally proposed the global abolition of U.S. and Soviet shorter-range INF missiles as an integral part of the treaty now being negotiated in Geneva, while still agreeing to accept as an interim initial step the Reykjavik formula limiting each side to 100 longer-range INF warheads worldwide, with none in Europe.

In their statement, NATO Foreign Ministers also considered what, if any, limitations the West should seek on systems with ranges below 500 kilometers. They called for:

. . . a coherent and comprehensive concept of arms control and disarmament which . . . would include . . . in conjunction with the establishment of a conventional balance and the global elimination of chemical weapons, tangible and verifiable reductions of American and Soviet land-based nuclear missile systems of shorter [i.e. less than 500 kilometer] range, leading to equal ceilings.

This convoluted phrasing was the result of a U.S.-generated compromise. Some allies, primarily the British, sought to "draw the line" by establishing an absolute ban on any negotiated reductions in systems of less than 500 kilometers range. In contrast, the Germans could not accept the permanent exclusion from the arms reduction process of such shorter-range systems, which, in time of war, would primarily impact on German territory. The compromise wording was intended to placate both the Germans (by saying that there were some conditions under which further reductions would be negotiated) and the British (by making it clear that such reductions were linked to a diminished conventional and chemical threat).

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BY RW NARA DATE 3/16/11

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Mrs. Thatcher's Concerns

While Prime Minister Thatcher accepted the compromise language, she is strongly opposed to any actual negotiated reductions in systems of less than 500 kilometers range, fearing this will eliminate the U.S. nuclear umbrella over Europe and leave NATO vulnerable to the massive Soviet advantage in conventional ground forces. In recent meetings with Senator Lugar, Judge Webster and others, Mrs. Thatcher has made it clear that when she meets with you on July 17, she plans to discuss nuclear deterrence and NATO.

Among the arguments the Prime Minister has made in recent discussions are the following:

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Based on the depth of Mrs. Thatcher's concerns and the consistent message she has been sending, we anticipate she will make the same points as forcefully as possible when she meets with you.

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Nuclear Weapons and NATO Strategy

The heart of Mrs. Thatcher's concern is her fear that we may weaken the U.S. nuclear guarantee to NATO in view of the current conventional imbalance in Europe (50,000 Warsaw Pact tanks to 20,000 NATO tanks, for example). NATO's agreed military strategy, set forth in a document called MC 14/3, is based on direct defense with conventional forces, deliberate escalation using NATO's non-strategic nuclear weapons, and, as the ultimate deterrent, the threat of U.S. strategic nuclear use. Non-strategic nuclear forces based in Europe play a key role in this strategy, both helping offset Soviet conventional superiority and serving as a link to strategic forces.

Without European based non-strategic nuclear systems and the coupling to our strategic forces they provide, some European leaders fear that the Soviets might come to believe that the United States would not escalate to the use of nuclear weapons. Given their conventional superiority, the Soviets might then be tempted to try to intimidate our allies or to actually attack in the belief that the U.S. had no response except the use of strategic weapons and that the leap to the strategic nuclear level would have such grave consequences that we would be unwilling to make it. If the Soviets came to think this way, they would view the defense of Europe as "decoupled" from U.S. strategic nuclear forces and deterrence would be weakened.

We believe you should stress to Mrs. Thatcher that you have every intention of retaining sufficient nuclear forces, including forces in Europe, to permit the United States and its allies to maintain the credible nuclear deterrent which is the heart of this NATO strategy. You may wish to point out that, although you favor the ultimate elimination of nuclear weapons (which the Prime Minister believes to be impossible), such elimination can only come when world conditions have radically changed. For the foreseeable future, nuclear weapons will be integral to our common security.

The United States contributes substantially to all legs of what is often called the "NATO triad": conventional forces, non-strategic nuclear forces, and strategic nuclear forces. That contribution will continue. Nuclear artillery, nuclear weapons on dual capable aircraft, and tactical systems such as the LANCE missile will all continue to fill the vital deterrent role of linking U.S. and European defense. Nuclear weapons on dual capable aircraft are especially important since they can reach well beyond the battlefield and thus provide the same form of deliberate escalation and linkage that INF missiles provide. We have no intention of negotiating away such aircraft nor is there any pressure to do so either domestically or from any ally (including the Germans).

In short, there is no doubt that the nuclear systems remaining in Europe after and INF agreement will be sufficient to continue to

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couple European security with our own and to continue to provide the U.S. nuclear umbrella over NATO which is the ultimate deterrent. You should reassure Mrs. Thatcher that this will continue to be the case.

At the same time, Mrs. Thatcher should recognize that deterrence does not depend only on short-range nuclear systems. Deterrence can best be achieved by maximizing an aggressor's uncertainty that he can achieve political objectives by force or intimidation, and the certainly that he will face grave risk to things that he values most should he try. A cohesive political alliance, so that the Soviets remain convinced that an attack on one member is an attack on all, is the basis of NATO's policy and prime requisite for deterrence. As long as there are a third of a million U.S. troops in Europe, along with their families, the Soviets cannot possibly doubt that an attack in Europe is an attack on the United States.

Nor can they doubt that, if those troops were faced with defeat, the United States would use all its power, including its nuclear arsenal, to prevent that defeat. While there are sound military and political reasons to avoid negotiated reductions in systems of less than 500 kilometers range, even if such reductions occur, deterrence would remain. Suggestions to the contrary weaken the political cohesion and resolve of the alliance which is an equally vital component of deterrence.

Strengthening Deterrence after an INF Agreement

Because of her overall concerns, Mrs. Thatcher may discuss specific steps she believes must be taken to maintain deterrence following an INF agreement. She has suggested that not only must there be no further negotiated reductions, but there should also be additional commitments to Europe of U.S. nuclear system not limited by an INF Treaty. In her meetings with Senator Lugar and Judge Webster, she specifically mentioned the deployment of additional FB-111 bombers to Europe and the formal assignment to NATO of U.S. ships with sea-launched cruise missiles to patrol off the Norwegian coast.

The Alliance has already agreed on the need to improve NATO's nuclear capability, quite apart from any specific INF agreement. In 1983, at Montebello, Italy, NATO Ministers agreed on the need to ensure the continued sufficiency and survivability of NATO nuclear forces. NATO's "High Level Group (HLG)" (an international body of defense experts from NATO capitals, chaired by a U.S. Assistant Secretary of Defense, which deals with nuclear issues) is examining what additional steps might be taken to improve NATO's deterrent force posture following an INF agreement. Options being considered include the deployment of additional bombers to Europe and increasing the contribution of U.S. sea-launched cruise missiles.

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Secretary Weinberger's staff is working privately with the United Kingdom Ministry of Defence to evaluate these options. They have been paying particular attention to sea-launched cruise missiles in light of Mrs. Thatcher's specific interest. Some options for using such missiles in support of NATO are interesting. Your military advisors will, however, have grave reservations about permanent assignment of U.S. sea-launched cruise missile platforms to NATO to patrol in European waters. Such assignment would cause severe political problems in Norway. By arbitrarily tying our ships too closely to fixed launch points, it would also significantly limit the Navy's operational flexibility in crisis and war. We are confident that, working with our allies, we can find solutions which strike the proper balance between enhanced deterrence and operational flexibility.

Mrs. Thatcher will also argue that the conclusion of an INF Treaty gives greater urgency to the need for redressing the imbalance in chemical and conventional arms. We have provided you separate papers on arms control efforts in these areas. We see little prospect of a negotiated agreement soon. Thus, improvement of the conventional balance requires a commitment to conventional force improvements on the part of all the allies.

We recommend you avoid discussing or making any commitment to specific new steps which might be required following an INF agreement. As noted above, such steps in the nuclear area, beyond the implementation of steps already agreed, may not be necessary. While it will be essential to continue (or accelerate) current NATO initiatives to improve conventional capability, the nuclear forces (both strategic and non-strategic) which the United States will retain following an INF (and/or START) agreement will be sufficient to maintain the deterrence which is the heart of the NATO strategy set forth in MC 14/3.

Even if additional steps are useful (for political if not military reasons), it is premature to endorse the specific suggestions Mrs. Thatcher may make pending completion of the work of the High Level Group and endorsement of its conclusions and recommendations by the NATO nations.

Summary

Prime Minister Thatcher is deeply concerned that we not weaken deterrence by moving to a de-nuclearized NATO. We believe her concerns to be unfounded. Your policy would not weaken deterrence and you should seek to reassure her of that fact. Specifically, we recommend you make the following points:

- It is the long-standing NATO firmness and unity that has given us the historic opportunity to get Soviet agreement -- for the first time -- to genuine and equitable nuclear arms reductions. Such unity along with the demonstrated political will to bear costs and burdens in our common defense are the most important components of deterrence.

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- You remain committed to NATO's strategy of flexible response, and have no intention of allowing the defense of NATO to be decoupled from the American nuclear arsenal or the defense of the United States. It is to avoid any hint of such decoupling that you refused to take a position on shorter-range INF until we had heard the views of our Allies and were confident that they -- like we -- recognize that this agreement will make NATO safer and more secure.
- The U.S. forces -- both conventional and nuclear -- which will remain in Europe after an INF agreement will be sufficient to maintain NATO's agreed strategy of deterrence and flexible response.
- It is premature to take any decisions now on increasing other nuclear forces to offset INF reductions; such increases are probably not needed for deterrence. Discussing them now could undermine the very political solidarity and resolve which has brought us so far in INF.
- You intend to continue the close consultation with NATO generally and with Mrs. Thatcher personally that was a key feature of the recent INF decisions.

Mrs. Thatcher has been one of your strongest supporters in Europe. We are confident that she will continue to be so as long as she understands that your commitment to a robust nuclear deterrent for NATO remains firm and that the United States understands the implications for NATO strategy of the arms reductions decisions it is taking.

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TAB B

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CHEMICAL WEAPONS (CW) BAN

Believing that an INF agreement gives greater urgency to redressing the imbalance in Chemical Weapons (CW), Prime Minister Thatcher may encourage you to press ahead in negotiating a global ban on CW. Mrs. Thatcher also may be of the view that a global CW ban is sufficiently verifiable with the adoption of challenge inspection measures proposed by Her Majesty's Government. In short, we anticipate that the Prime Minister may tell you that a global ban on CW is both very important and effectively verifiable.

There are fundamental and inescapable realities, however, that argue persuasively against undertaking any initiative in the near term to conclude a CW arms control agreement.

THE HARD REALITIES

The fact of the matter is that we are faced with the circumstance of having tabled a Treaty that, by the estimate of our Intelligence Community and others, remains essentially unverifiable. You may recall that in January 1984, at a time when circumstances led us to table a CW Treaty, you and all agencies were aware of the great difficulties we faced in attempting to verify such a Treaty.

You decided (in NSDD-136 of April 2, 1984) that in order to provide a measure of national security protection to a treaty-tabling effort, three fundamentals were necessary:

- Mandatory on-site challenge inspections at suspect sites to deter cheating;
- A vigorous binary weapons production program to ensure the credibility of our own chemical deterrent; and
- A comprehensive interagency effort to develop procedures to ensure effective verification.

In spite of the efforts to date to develop an effective CW verification regime, including our anywhere-anytime inspections, the Intelligence Community today believes that the Soviets could sustain an integrated and covert CW program and stockpile, and further, that Soviet breakout by conversion of a large number of conventional chemical plants could occur quickly and without detection.

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We also have the fact that the Soviet Union is violating two existing agreements related to chemical weapons -- the 1925 Geneva Protocol on Chemical Weapons and the 1972 Biological and Toxic Weapons Convention.

At the same time, we face an uphill battle with Congress in maintaining our own CW retaliatory capability. Inherent in your approach to CW arms control negotiations is the associated requirement to maintain a modern and credible CW deterrent until such time as the threat posed by CW is effectively eliminated. Unfortunately, we have a problem both with Congressional reluctance and with the slow production rate that would provide the U.S. with little or nothing of a modern deterrent if binary weapons production had to cease when the Treaty went into effect, should that occur before the early- to mid-1990's. The existing U.S. unitary CW stockpiles in the FRG will be removed by 1995, leaving us no European deterrent if we do not have binaries.

UK CHALLENGE INSPECTION MEASURES

HMG believes that the challenge inspection measures they proposed to the Conference on Disarmament (CD) provide sufficient stringency to achieve an effective challenge inspection regime while still protecting the British chemical industry.

When the UK tabled their proposal in the CD, we agreed not to attack it, but we also made it clear that we would continue to support our own position. The UK proposal is considerably less demanding than your anytime-anywhere challenge inspection provision (Article X of the treaty which we tabled in 1984).

The UK proposal falls short of meeting the standards for effective verification the U.S. has proposed, and as pointed out earlier in this paper, U.S. Government agencies agree that not even our provisions provide effective verification. The UK provisions, for example, grant the right of refusal of direct inspection. A challenged State could propose alternative measures to the challenge inspection and a time limit of 10 days is allowed for the challenged State to satisfy the state requesting the inspection.

The bottom line is that our governments are not in agreement on what is required for an effective challenge inspection regime and much more work is needed to bring us together.

THE WAY AHEAD

In light of the cold realities presented above and our differences with HMG concerning an effective challenge inspection regime, we believe that you should avoid conveying to Mrs. Thatcher any suggestion that the U.S. expects to conclude a CW arms control treaty in the near future, and certainly not until the conditions you have established as requirements for the effectiveness of any treaty have been satisfied.

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Instead, Mrs. Thatcher ought to take away from her meeting with you the conviction that:

1. Much work remains to be done to satisfy our very serious verification concerns;
2. It is absolutely essential that the U.S. maintain a modern and credible CW deterrent until such time as the CW threat is effectively eliminated; and
3. We need time to produce modern binary CW weapons before any production ban is put into effect.

These are themes you may wish to repeat to other European leaders who also are likely to argue for pressing ahead with a CW arms control treaty as the best way to correct the imbalances in CW that will become more prominent in the wake of an INF agreement. Having said all this, it is equally important, as we see the situation, that you also avoid giving Mrs. Thatcher any impression that your Administration has abandoned the long-standing goal of seeking an effective global ban on CW.

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CONVENTIONAL ARMS CONTROL

The most immediate problem is that of process. We have not been able to achieve intra-NATO agreement on how to proceed toward new conventional arms control negotiations with the Warsaw Pact -- primarily because the French want to be included, but on their terms.

France has traditionally refused to participate in East-West arms control negotiations in order to maintain its freedom of action. Paris wants to contain conventional arms control issues in the 35-member CSCE forum, which includes the 23 members of the two alliances plus Europe's neutral and nonaligned states, because the presence of the latter creates a flexibility that dilutes the role of the US as the leader of the West. Although France has never joined the MBFR talks, which focus on Central Europe, it would like to participate in new negotiations that would cover the area from the Atlantic to the Urals -- partly to ensure that the only conventional force cuts would be taken by the East.

An additional complication in negotiating procedures is the repeated French refusal to abide by compromises we reach bilaterally. On at least three occasions we concluded what we believed were compromises that would permit NATO to achieve consensus. In each case the French then acted independently either in the CSCE, to the Warsaw Pact, or in full NATO fora to violate the agreement. We are thus reluctant to proceed into negotiations that could have serious substantive impact on NATO and US security lacking confidence that the French will not act to undercut our position.

Since the latest French-US compromise on the forum, France has sought to minimize further the alliance-to-alliance character of future negotiations on force reductions and to provide for some accountability of the participants to the CSCE. The French have insisted on a small role for NATO's North Atlantic Council in the development of the West's conventional arms control strategy, arguing that specific instructions for Western negotiators should come only from Allied capitals.

Although the French have agreed that only members of the two alliances should participate in negotiations on force reductions, they argue that the area covered by such reductions should be all of Europe -- including the territory of the neutral and nonaligned states, although not their forces. Such a "zone of application" could be identical to the territory covered under parallel negotiations on confidence- and security-building measures involving all 35 CSCE states -- thus linking the two sets of negotiations even more firmly.

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The UK supports the idea of "Atlantic to the Urals" conventional stability negotiations. In fact, it was Geoffrey Howe (UK Minister of Foreign Affairs) who coined the phrase "bold new steps." HMG is clear that it wishes a satisfactory conventional balance -- diminishing the conventional threat -- before considering further nuclear negotiations for systems under 500 km range. HMG also has no illusions that conventional negotiations will be quick or easy. The UK does believe that the process is less crucial than the US and France seem to believe, and are therefore prepared to accept any process the US and France can agree on. This has been of some irritation to us lately, since the impact of the UK attitude is that they will not put pressure on the French to cooperate and behave.

It is unlikely that the procedural questions about a new conventional forum will be resolved before the end of the calendar year. However, it is very likely that new negotiations will eventually begin -- at which time the USG will need to have substantive proposals ready for presentation to NATO and then to the Warsaw Pact members. Despite some preliminary work already within the USG, no "bold new" ideas on conventional arms control substance are apparent. We have another set of trilateral (US-UK-FRG) experts talks in late September, at which we hope to be able to present some substantive proposals. At the moment we are exploring the idea of a common NATO-WP tank ceiling, among other ideas.

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SYSTEM IV
40444

July 10, 1987

MEMORANDUM FOR FRANK C. CARLUCCI

FROM: PETER W. RODMAN *PWR*
SUBJECT: Priority Issues over Next 18 Months

You asked me to pull together a list of national security issues which represent our priorities rather than day-to-day controversies that others are imposing on us.

This is the right question to ask. I don't think the President is ready to buy onto his opponents' idea of what he should be doing with his last 18 months. Thus, for example, he need not succumb to the notion that arms control and U.S.-Soviet relations are the way to save the Administration. For one thing, he is not that weak. Second, the Democrats will be delighted to attack him from the right (e.g., on INF and Embassy Moscow security) if he is overeager on the U.S.-Soviet front. His aim should be to show guts, look formidable, and thereby keep the initiative in his own hands.

At this stage in the Administration, our priorities should perhaps be the "legacy" issues -- those areas in which the President wants to leave behind policies or objective conditions that have a good chance of lasting. One obvious example is the "Reagan Doctrine" group of issues -- support for anti-Communist insurgencies. A second category is SDI and other issues that represent important positive objectives. A third category has the common theme of preserving important Presidential prerogatives and policies currently under assault. Clearly there is some overlap between the day-to-day battles imposed on us and our own sense of what is important. However, there are also issues important to us that need attention even if they are not hot items.

First, the "Reagan Doctrine" issues:

- Nicaragua: We all know this is vital. Winning the contra vote will be crucial to the viability of this Presidency in its final year, as well as to any legacy the President hopes to leave behind. Both his legislative clout and the long-term durability of the Reagan Doctrine may be casualties if his Central American policy is repudiated.

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BY RW NARA DATE 3/16/11

- Afghanistan: This program has solid bipartisan support in Congress. Our challenge, at a minimum, is to manage the diplomacy so as to avoid mishaps (e.g., inadvertent sell-out, Pak collapse, etc.) and to keep the issue high on the U.S.-Soviet agenda so it doesn't get slighted in the stampede for arms control. We want to maintain our material and political support for Pakistan and for the Resistance.
- Angola: Two studies are about to come forward in response to our NSSD of January: one on increasing economic pressures on the MPLA and another on strengthening the covert program in support of Savimbi. The Soviets, Cubans, and MPLA may be tempted to wait out this President rather than negotiate seriously about Cuban troop withdrawal. This calls for maximizing our pressures over the next 18 months in order either to encourage a serious negotiation or to leave UNITA in the best possible position to fight on.
- Cambodia: Here too there is bipartisan support, and our program of support for the non-Communist resistance is substantial.

Other priorities which represent important positive objectives would be:

- SDI: Both our arms control strategy and our Congressional strategy should be geared to the President's desire to keep alive a vigorous research and testing program, so that his successors can make an informed deployment decision.
- The Western Alliance: Reykjavik and the handling of INF have shaken allied confidence. We need to reassure allies of our nuclear guarantee and the viability of flexible response and to make clear that our allies have priority over our adversaries. A possible NATO summit, or Presidential speech.
- Arms Reduction: Good agreements on START and INF would be an important legacy, because of the lesson they would teach vindicating the President's realistic approach to arms control. However, the President has properly taken the position that there are certain irreducible requirements on which we can't compromise. (This may mean taking some heat in the short run -- but it's also the best strategy for getting a good agreement.)
- Berlin: Sustained efforts of bureaucratic management within the USG are still needed to get this negotiation off the ground. Once it does get off the ground, it could turn into a historic initiative.

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A third category would include crucial policies and Presidential prerogatives currently under assault that need to be vigorously defended:

- Defense and Foreign Affairs Budget: No explanation needed. Crucial here is our strategic modernization program, which is the foundation of our future strategic position (e.g., the two strategic bomber programs, D-5, the second 50 MX, Midgetman, C³I improvement).
- Trade Policy: Given the President's strong philosophical commitment to free trade, we will want to continue to fight hard against protectionist pressures until the trade balance improves and the pressures (one hopes) will subside. The Uruguay GATT round, and our new initiative focusing on agricultural trade, will be a significant legacy.
- The NSC System: After the Iran-contra hearings are over, we may yet face a Congressional assault on the NSC as one of the last remaining Executive branch institutions not under Congressional "control." The Speaker's pursuit of NSDD's may be only an opener. Yielding to such encroachments would have disastrous long-term implications for the institution of the Presidency.
- Technology Transfer: One of the Administration's important achievements has been the putting in place of a stricter regime to control leakage of sensitive technology to the Soviets. This is now under assault in the Congress as part of the controversy over trade policy, though the Toshiba/Kongsberg case has reminded everyone of the problem. We need a sensible plan that is responsive to Congressional and business concerns without permitting the dismantling of what has been achieved.
- Intelligence and Counter-Intelligence: The Iran-contra affair has generated new pressures on the President's prerogatives in the intelligence field, which need to be resisted. The Walker case, Embassy Moscow, the Soviet UN Mission, etc., have raised public consciousness of counterintelligence matters as never before -- which could be an opportunity. To leave behind a sensible, enduring CI policy could be an important legacy.

There are a number of other issues which are important but on which we are not under severe pressures. We should keep an eye on them in case opportunities arise:

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- Middle East Peace Process: Possible progress here should not be excluded. The Palestinian issue is the toughest issue yet faced in the peace process, and the Administration has actually come very close to getting an historic Jordanian-Israeli negotiation launched. There are some new ideas that are worth a try -- at a minimum to avoid an unraveling of the progress recently made, and possibly to lay a basis for future progress.
 - Iran-Iraq War and Persian Gulf: We should continue our active diplomacy here, but I would put this issue in the category of crisis-avoidance rather than an opportunity for immediate breakthrough. In the short term we want to strengthen ties with the Gulf Arabs and resist pressures from the Soviets and Iranians; in the long run, once Iran realizes its present policy is a loser, we may find opportunities.
 - South Africa: A visit by Front Line heads of State, a possible Shultz trip to Southern Africa, and a possible public statement on the political evolution of South Africa, are good ways to demonstrate the President's stand against apartheid. They would provide a good platform from which to resist further Congressional pressures for sanctions and to counter the election-year rhetoric of his opponents.
 - Support for Democracy: The Philippines and Korea represent an important legacy. These are areas of real hope but they call for careful tending. At a minimum, we want to avoid seeing them go sour on our watch.

This paper reflects inputs from those members of the staff who provided them.



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SUBJECT: 7/10 SECRETARY-DUBININ MEETING

1. ~~SECRET~~ ENTIRE TEXT.

2. SUMMARY: SECRETARY SHULTZ RECEIVED DUBININ FOR A LITTLE OVER AN HOUR JULY 10. DUBININ HAD NOTHING CONCRETE ON DATES FOR A SHEVARDNADZE VISIT. INSTEAD, HE BELABORED THE THEME THAT THE U.S. WAS CREATING OBSTACLES -- MOST NOTABLY THE GERMAN PERSHING ISSUE -- TO RAPID PROGRESS IN ARMS CONTROL. DUBININ SAID MUCH ATTENTION IS BEING GIVEN IN MOSCOW TO U.S. - SOVIET RELATIONS, INCLUDING THE QUESTION OF A SHEVARDNADZE VISIT AND POSSIBLE SUMMIT. BUT HIS BOTTOM LINE WAS THAT MOSCOW IS NOT WILLING TO COMMIT UNTIL THE ARMS CONTROL SITUATION COMES INTO SHARPER FOCUS.

3. THE SECRETARY MADE CLEAR THAT, FROM OUR STANDPOINT,

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IT WAS THE SOVIETS WHO WERE CREATING THE OBSTACLES. HE TOLD DUBININ FRANKLY THAT WE SENSED THEY WERE DRAWING BACK IN GENEVA FROM POSITIONS THEIR TOP LEADERS HAD TAKEN IN MOSCOW. AND THAT WE WERE DISAPPOINTED BY HOW LITTLE HAD BEEN ACHIEVED SINCE THE SECRETARY'S APRIL VISIT. THE SECRETARY MADE THE POINT THAT OUR DISAPPOINTMENT WAS NOT CONFINED TO ARMS CONTROL CITING APPARENT SOVIET EFFORTS TO LIMIT EMIGRATION TO ARTIFICIAL LEVELS AND THE LACK OF PROGRESS IN RESOLVING SUCH REGIONAL PROBLEMS AS AFGHANISTAN.

4. DUBININ RAISED THE POSSIBILITY OF FUTURE INFORMAL DISCUSSIONS TO SEE HOW DIFFERENCES MIGHT BE RESOLVED. WHEN PROBED, HE MADE CLEAR HE WAS NOT TALKING ABOUT SPECIAL CHANNELS OF ANY SORT. THE SECRETARY TOLD HIM HE FELT IT IMPORTANT THAT THE SOVIET AMBASSADOR IN WASHINGTON HAVE GOOD RELATIONS WITH AND ACCESS TO THE SECRETARY OF STATE. AND THAT OUR AMBASSADOR IN MOSCOW ENJOY SIMILAR TREATMENT. HE MADE CLEAR, HOWEVER, THAT THE EXPERIENCE OF THE PAST SEVERAL YEARS DEMONSTRATED THE UTILITY OF PERIODIC MEETINGS AT MORE SENIOR LEVELS. AND THAT, ULTIMATELY, IT WAS AT SUCH LEVELS THAT DECISIONS WERE MADE.

5. THE SECRETARY TOOK THE OPPORTUNITY TO PUT DOWN A STRONG MARKER ON THE NEED FOR SOVIET COOPERATION IN DEALING WITH OUR MOSCOW SECURITY PROBLEMS. DUBININ SAID THE SOVIETS WERE WELL AWARE FROM PREVIOUS CONVERSATIONS OF OUR CONCERNS. AND HAD THE MATTER UNDER CAREFUL AND "CONSTRUCTIVE" STUDY. END SUMMARY

6. DUBININ WAS ACCOMPANIED DURING THE HOUR AND A QUARTER MEETING ONLY BY AN INTERPRETER. ASSISTANT SECRETARY

RIDGWAY, DAS SIMONS, EUR/SOV DIRECTOR PARRIS AND INTERPRETER ZARECHNAK ROUNDED OUT THE U.S. SIDE.

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7. THE MEETING OPENED WITH AN EXTENSIVE DESCRIPTION BY DUBININ OF THE RECENT CPSU ECONOMIC PLENUM. READING FROM NOTES DUBININ CHARACTERIZED THE SESSION AS A DECISIVE MOMENT IN THE REMAKING OF THE FOUNDATIONS OF THE SOVIET ECONOMIC SYSTEM. THIS WAS IMPORTANT IN ITSELF, BUT ASSOCIATED POLITICAL ASPECTS WERE EQUALLY IMPORTANT. THE MEETING REPRESENTED THE COMPLETION OF THE PROCESS OF ELABORATING THE CONCEPT OF "PERESTROIKA" WHICH HAD BEEN PUT FORWARD AT THE APRIL 1985 PLENUM AND ENDORSED AT THE 27TH PARTY CONGRESS. NOW EVERYTHING HAD BEEN SET IN MOTION: THE PARTY, CADRES, THE ECONOMY.

8. WITH RESPECT TO THE ECONOMY, DUBININ SAID, A BROAD RANGE OF ISSUES WERE BEING ADDRESSED. THE MAJOR THRUST WAS THE ELABORATION OF A NEW ECONOMIC STRUCTURE. PRIOR TO WORLD WAR II, THE SITUATION IN THE SOVIET UNION HAD REQUIRED RIGID CENTRALIZATION OF ECONOMIC MANAGEMENT AND DETAILED REGULATION OF ALL ACTIVITIES. DURING THE WAR, THIS HAD BECOME EVEN MORE IMPORTANT. THE SYSTEM HAD BEEN PRESERVED MORE OR LESS INTACT AFTER THE WAR. NOW THE SOVIETS WERE FACED WITH THE TASK OF FUNDAMENTALLY RESTRUCTURING THE MAIN ELEMENTS OF THE ECONOMIC MECHANISM. THE BASIC TRENDS WOULD BE A SHIFT FROM PRIMARY RELIANCE ON ADMINISTRATIVE METHODS TO ECONOMIC METHODS AND THE DECENTRALIZATION OF MANAGEMENT BY IMPROVING THE EFFICIENCY OF HUMAN FACTORS. ENTERPRISES WOULD BE FREED FROM HIGHLY CENTRALIZED CONTROLS AND EXPECTED TO OPERATE ON THE BASIS OF COST-ACCOUNTING. CENTRALIZED MANAGEMENT WOULD BE RESTRICTED AND DAY-TO-DAY DECISION-MAKING VESTED AT LOWER LEVELS. THE PRICING MECHANISM WOULD BE REFORMED, WITH PRICES GROUNDED IN REAL PRODUCTION COSTS. THERE WOULD BE GREATER ENCOURAGEMENT OF GRASS-ROOTS INITIATIVES. IT WAS EXPECTED THAT

ENTERPRISES COMPRISING TWO THIRDS OF THE COUNTRY'S INDUSTRIAL PRODUCTION WOULD BE BROUGHT UNDER THE NEW

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SYSTEM BY 1988; BY 1989 THE TRANSITION WOULD BE COMPLETE.

9. DUBININ ADDED THAT THE PLENUM HAD ALSO MANDATED AN INTENSIFICATION OF EXTERNAL TRADE AND OTHER ECONOMIC ACTIVITIES. THE SOVIETS FELT THERE WAS ROOM FOR BILATERAL PROGRESS IN THIS AREA IF THE UNITED STATES WAS INTERESTED. IN SUM. THE PROCESS HE HAD BEEN DESCRIBING WAS VERY POWERFUL BROAD AND IMPORTANT. SPEAKING FRANKLY HE SAID IT WAS ALSO VERY DIFFICULT.

10. THE SECRETARY OBSERVED THAT WHAT WAS GOING ON IN THE SOVIET UNION WAS PROFOUNDLY INTERESTING. HE HAD GOT SOME SENSE OF THE PROCESS FROM HIS DISCUSSION IN MOSCOW WITH CHAIRMAN RYZHKOV. AND WOULD WELCOME THE OPPORTUNITY TO PURSUE THAT DISCUSSION TO GET A BETTER FEEL FOR THE RELATIONSHIP BETWEEN WHAT WAS BEING SAID AND WHAT WAS ACTUALLY TAKING PLACE. WITH RESPECT TO THE INTERACTION OF THE TWO ECONOMIES. THE SECRETARY SAID THE U.S. GOVERNMENT AND AMERICAN COMPANIES WANTED TO UNDERSTAND THE CHANGES TAKING PLACE IN THE SOVIET UNION. HE FELT THAT THOSE CHANGES COULD MAKE ECONOMIC INTERACTION EASIER. AS AMERICAN BUSINESSMEN HAD MORE EXPERIENCE DEALING DIRECTLY WITH INDIVIDUAL FIRMS THAN VIA STATE MINISTRIES. IN ANY CASE. WE WERE READY TO LEARN ALL WE COULD ABOUT WHAT THE SOVIETS WERE DOING AND TO SEE WHAT COULD BE DONE TO IMPROVE PROSPECTS IN OUR ECONOMIC RELATIONS.

11. DUBININ SAID THAT HE KNEW FROM BOTH RYZHKOV AND GORBACHEV THAT THEY HAD LISTENED CAREFULLY TO WHAT THE SECRETARY HAD HAD TO SAY IN MOSCOW ABOUT THE NEED TO LOOK INTO THE FUTURE. IF DUBININ COULD SUMMARIZE WHAT NEEDED TO BE DONE REGARDING PROSPECTS FOR U.S. - SOVIET ECONOMIC RELATIONS. IT WOULD BE TO TRANSLATE AS SOON AS POSSIBLE THE LONG-TERM FUTURE THE SECRETARY HAD DESCRIBED INTO

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REALITY. THIS COULD HAVE REAL ECONOMIC IMPACT ON BOTH SOCIETIES.

12. THE SECRETARY SAID HE AGREED. THAT WAS WHY EVEN BEFORE THE MOSCOW VISIT HE HAD EXPRESSED INTEREST IN A DISCUSSION OF FUTURE TRENDS IF TIME PERMITTED. AS IT TURNED OUT, THERE HAD BEEN ONLY LIMITED TIME FOR SUCH A DISCUSSION BUT THE SECRETARY HAD HAD THE IMPRESSION THAT BOTH SIDES HAD FOUND THE EXCHANGE WHICH HAD OCCURRED TO BE OF INTEREST. PERHAPS DURING A FUTURE MEETING IT WOULD MAKE SENSE MORE DELIBERATELY TO SET ASIDE TIME FOR AN EXCHANGE OF VIEWS ON THE FUTURE, LEAVING ASIDE POSSIBLE POINTS OF CONTENTION OR THE SPECIFICS OF THE DAY. THE SECRETARY SAID HE FELT GORBACHEV AGREED WITH HIM THAT THE FUTURE WILL BE DIFFERENT FROM THE PAST, AND THAT PAST BEHAVIOURAL FORMULAE MIGHT NEED TO BE REARRANGED.

13. MOVING TO A NEW SUBJECT, DUBININ INDICATED THAT HE HAD MET WITH GORBACHEV WHILE IN MOSCOW FOR A DISCUSSION SUMMARIZED WHAT HE DESCRIBED AS GORBACHEV'S ASSESSMENT. THE APPROACH WHICH SOVIET SPOKESMEN HAD ARTICULATED IN MOSCOW DURING THE SECRETARY'S VISIT REMAINED FULLY IN FORCE. DUBININ SAID, THERE HAD BEEN NO CHANGE IN SOVIET POSITIONS. BUT MOSCOW'S "GENUINE DEEDS" IN PURSUIT OF A MOVEMENT AWAY FROM CONFRONTATION TOWARD IMPROVED RELATIONS HAD THUS FAR FOUND NO ADEQUATE RESPONSE FROM THE UNITED STATES. INSTEAD, THE U.S. APPEARED TO BE MORE INTERESTED IN AVOIDING DAMAGE TO ITS PUBLIC IMAGE. THERE HAD BEEN NO CONCRETE U.S. RESPONSE TO SOVIET "DEEDS." DUBININ SAID GORBACHEV HAD NONETHELESS INSTRUCTED HIM TO EMPHASIZE TO THE SECRETARY THAT "WE HAVE NOT EXHAUSTED

THAT WHICH WAS SAID" DURING THE SECRETARY'S MOSCOW VISIT.

14. THE SECRETARY COMMENTED IN RESPONDING THAT IT WOULD NOT SURPRISE DUBININ THAT WE SAW THINGS QUITE DIFFERENTLY. WITH RESPECT TO HUMAN RIGHTS, FOR EXAMPLE,

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SOVIET POLICY WAS CREATING A SITUATION IN WHICH SOME PEOPLE, MAINLY REFUSENIKS, WERE BEING ALLOWED TO EMIGRATE. WE WELCOMED THIS. BUT THE PROCESS SEEMED SELF-LIMITING AND THUS INCONSISTENT WITH SOVIET OBLIGATIONS UNDER THE HELSINKI FINAL ACT AND UNIVERSAL CHARTER OF HUMAN RIGHTS.

15. SIMILARLY THE SECRETARY CONTINUED WE SAW LITTLE CHANGE IN THE NATURE OF TENSIONS IN VARIOUS PARTS OF THE WORLD WHICH WE HAD DISCUSSED ON A NUMBER OF OCCASIONS. RECENT TALKS ON SOUTHERN AFRICA AND THE MIDDLE EAST HAD BEEN SOMEWHAT BETTER DISCUSSIONS THAN WE HAD HAD IN THE PAST. BUT THE SOVIETS WERE STILL IN AFGHANISTAN. IT WAS NOT THE U.S. WHICH HAD TROOPS THERE. IT WAS NOT THE U.S. WHICH SHOULD UNDERTAKE "DEEDS" TO DEAL WITH THAT SITUATION. IT WAS UP TO MOSCOW TO WITHDRAW FORCES FROM A COUNTRY WHERE THEY DID NOT BELONG. WE WERE READY TO DO WHAT WE COULD TO SUPPORT NEGOTIATIONS BEING CONDUCTED UNDER UN AUSPICES IN PURSUIT OF A POLITICAL SETTLEMENT. SO FAR THERE HAD BEEN NO RESULTS.

16. ON ARMS CONTROL THE SECRETARY SAID, WE WERE ALSO DISAPPOINTED. RECALLING GORBACHEV'S PRAGUE STATEMENT THAT STRATEGIC ARMS WERE THE "ROOT PROBLEM" IN ARMS CONTROL. THE SECRETARY SAID WE AGREED. YET THERE HAD BEEN NO SERIOUS SOVIET EFFORT TO ENGAGE IN THE START TALKS. WE HAD TABLED A TREATY TEXT AND AN ENTIRE MENU OF IDEAS FOR BUILDING ON THE MAJOR BREAKTHROUGHS WHICH HAD

TAKEN PLACE IN REYKJAVIK. THE SOVIETS HAD NO TREATY TEXT OF THEIR OWN; THE NEGOTIATIONS HAD MADE LITTLE PROGRESS.

17. CONTINUING, THE SECRETARY SAID WE HAD SEEMED TO BE MOVING TOWARD AN INF AGREEMENT, BUT THE SOVIET SIDE HAD OF LATE APPEARED TO DRAW BACK FROM POSITIONS THEY HAD TAKEN EARLIER. THE SECRETARY RECALLED THAT DURING HIS MOSCOW VISIT GORBACHEV HAD PROPOSED THE GLOBAL

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ELIMINATION OF SRINF. SHEVARDNADZE HAD FOLLOWED UP ON THIS PROPOSAL BY SUGGESTING THAT THE PROCESS OF DESTROYING SUCH SYSTEMS BE COMPLETED WITHIN A YEAR OF THE ENTRY INTO FORCE OF AN AGREEMENT. WE FELT THOSE WERE CONSTRUCTIVE PROPOSALS. AND WE HAD RESPONDED POSITIVELY TO THEM. NOW THE SOVIETS IN GENEVA HAD DRAWN BACK. ANOTHER EXAMPLE WAS LRINF. WHERE IT NOW APPEARED WE SHARED THE VIEW THAT A GLOBAL ZERO SOLUTION WOULD VASTLY SIMPLIFY VERIFICATION. BUT THE SOVIETS HAD RETRACTED GENERAL CHERVOV'S SUGGESTIONS ALONG THESE LINES. THE VERIFICATION PROPOSALS THAT THE SOVIETS HAD PUT ON TABLE IN GENEVA. MOREOVER, SEEMED TO LACK THE SERIOUSNESS WITH WHICH MOSCOW HAD EARLIER BEEN DISCUSSING THE ISSUE. AGAIN, IT APPEARED THE SOVIETS WERE PULLING BACK WHEN WE WERE READY TO GO.

18. ON NUCLEAR TESTING. SHEVARDNADZE IN MOSCOW HAD MADE CONSTRUCTIVE SUGGESTIONS FOR COMPARING THE EFFICACY OF OUR CORETEX VERIFICATION SYSTEM AND SOVIET SEISMIC TECHNIQUES. WE HAD AGREED TO CONDUCT EXPERIMENTS WHICH WOULD IMPROVE OUR ABILITY TO MONITOR NUCLEAR TESTS. BUT THERE HAD BEEN NO MOVEMENT ON THE SOVIET SIDE.

19. THE SECRETARY SAID HE COULD CONTINUE IN THIS VEIN. BUT THAT IN GENERAL WE WERE DISAPPOINTED THAT THERE HAD NOT BEEN MORE PROGRESS SINCE HIS MOSCOW VISIT. WE HAD WANTED TO SEE MORE FORWARD MOVEMENT. OUR IMPRESSION WAS THAT THE SOVIETS WERE DRAWING BACK. IN THIS REGARD, THE

SECRETARY NOTED IN PASSING, WE HAD BEEN SURPRISED BY THE SUDDEN INTRODUCTION INTO THE GENEVA NEGOTIATIONS ON INF OF A NEW ISSUE -- SYSTEMS BELONGING TO THE FRG, WITH WHICH THE U.S. HAD A LONG-STANDING COOPERATIVE RELATIONSHIP. THE NEGOTIATIONS HAD IN THE PAST DEALT EXCLUSIVELY WITH SYSTEMS BELONGING TO THE U.S. AND U.S.S.R. THIS WAS A NEW AND DISTURBING ELEMENT. THUS, WE WERE DISAPPOINTED, PARTICULARLY SINCE THE SECRETARY

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HAD FELT IN MOSCOW. AND REPORTED TO THE PRESIDENT. THAT WE APPEARED TO BE ON THE ROAD TO REAL PROGRESS.

20. DUBININ SAID HE WOULD KEEP HIS COMMENTS BRIEF, SINCE TIME WAS LIMITED. HE AGREED THAT THERE HAD BEEN MOVEMENT ON HUMAN RIGHTS. ONE COULD NOT FAIL TO NOTE. HE URGED. HOW MUCH HAD HAPPENED IN A VERY SHORT PERIOD. BOTH IN TERMS OF BASIC APPROACH/PHILOSOPHY AND OF SPECIFIC ACTIONS. WHILE SOME MIGHT NOT BE ENTIRELY SATISFIED WITH WHAT WAS BEING ACHIEVED DUBININ FELT THAT THE SOVIETS WERE APPROACHING SUCH ISSUES "POSITIVELY." DUBININ SHARED THE SECRETARY'S EVALUATION OF RECENT REGIONAL EXPERTS TALKS, ESPECIALLY ON THE MIDDLE EAST, WHERE THE SOVIETS HOPED FOR MORE COOPERATION IN THE FUTURE WITH THE U.S. PARTICULARLY ON THE ISSUE OF AN INTERNATIONAL CONFERENCE. WITH RESPECT TO AFGHANISTAN, DUBININ FELT THAT THERE HAD BEEN SIGNIFICANT, RAPID PROGRESS. ALBEIT NOT RAPID ENOUGH FROM THE STANDPOINT OF SOVIET INTERESTS. IN THIS AREA, TOO, THE SOVIETS HOPED FOR A MORE COOPERATIVE APPROACH BY THE U.S. PARTICULARLY WITH RESPECT TO THE SUPPLY OF SOPHISTICATED ARMAMENTS TO "THOSE WHO WERE OPPOSED TO A SETTLEMENT." MOSCOW, FOR ITS PART, FAVORED A SETTLEMENT. AND WOULD LIKE TO COOPERATE WITH THE U.S. TOWARD THAT END.

21. ON ARMS CONTROL, DUBININ SAID THAT MOSCOW WAS ALSO DISAPPOINTED AND CONCERNED. RETURNING TO THE SECRETARY'S REMARKS ON GERMAN PERSHINGS, DUBININ CHARACTERIZED THE ISSUE AS "BILATERAL." THE ISSUE WAS THE WARHEADS ON THE PERSHINGS. THEY WERE AMERICAN. IT WOULD BE "AWFUL" IF THEY BELONGED TO THE FRG. FOR THIS WOULD MEAN THAT GERMANS HAD NUCLEAR ARMS. DUBININ WANTED THE SECRETARY TO HAVE A CLEAR IDEA OF SOVIET VIEWS OF THIS PROBLEM. THE SECRETARY HAD SAID THIS WAS A "NEW" ISSUE FROM THE AMERICAN STANDPOINT. FROM THE SOVIET PERSPECTIVE, THE ISSUE WAS A "HUNDRED TIMES" MORE

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UNEXPECTED. WHEN THEY HAD TALKED ABOUT ZERO THEIR ASSUMPTION HAD BEEN THAT IT WOULD BE A REAL GENUINE "ROUND" ZERO WHICH WOULD INCLUDE ALL U.S. WEAPONS IN THE CATEGORY. THEY HAD TRIED TO GET SOMEWHERE IN MOSCOW. THEIR DISAPPOINTMENT AT THIS NEW OBSTACLE WAS PARTICULARLY ACUTE BECAUSE THEY HAD FELT AFTER THE SECRETARY'S VISIT THAT PROGRESS WAS POSSIBLE. MEANWHILE THERE WERE OTHER ISSUES WHICH REMAINED TO BE RESOLVED -- CONVERSION THE DISPOSITION OF CRUISE MISSILES

22. AS FOR STRATEGIC ARMS DUBININ ASSURED THE SECRETARY THAT MOSCOW CONSIDERED GORBACHEV'S PRAGUE STATEMENT STILL TO BE OPERATIVE. THE FACT THAT THE SOVIETS HAD NOT PRESENTED THEIR OWN DRAFT TREATY SHOULD NOT BE ASSIGNED UNDUE IMPORTANCE. THEY HAD PRESENTED THEIR VIEWS IN DIFFERENT FORMS. THE IMPORTANT THING WAS SUBSTANCE. AS TO THE SUBSTANCE THE U.S. APPROACH LEFT MUCH TO BE DESIRED. AS AN EXAMPLE DUBININ CRITICIZED WHAT HE DESCRIBED AS THE U.S. DELEGATION IN GENEVA'S NEW APPROACH TO CRUISE MISSILES WITH A RANGE IN EXCESS OF 600 KILOMETRES. THIS MOVE HE CHARGED COMPLETELY CHANGED PREVIOUS UNDERSTANDINGS ON THE ISSUE. IT WOULD LEAD TO AN EROSION OF THE 6,000 WARHEAD LIMIT AGREED TO IN REYKJAVIK. DUBININ SAID HE COULD GIVE MORE EXAMPLES IF HE HAD MORE TIME BUT EMPHASIZED THAT FROM THE EXPERT

LEVEL TO THE LEVEL OF SHEVARDNAZDE AND GORBACHEV THE SOVIETS WERE GIVING ACTIVE ATTENTION TO THESE QUESTIONS. THEY HAD MADE MANY CONCESSIONS TO PAVE THE WAY FOR EARLY AGREEMENTS. MOSCOW WAS VERY CONCERNED THAT THERE HAD NOT BEEN MORE RECEPTIVITY FROM THE U.S. SIDE; IT WAS ASKING ITSELF HOW THESE OBSTACLES COULD BE OVERCOME.

23. IN RESPONSE TO THE SECRETARY'S REQUEST FOR CLARIFICATION OF DUBININ'S REMARKS ON CRUISE MISSILES WITH RANGES IN EXCESS OF 600 KILOMETRES DUBININ REPEATED TAT THE U.S. DELEGATION IN GENEVA WAS SEEKING TO EXCLUDE

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AN ENTIRE CATEGORY OF CRUISE MISSILES HAVING A RANGE IN EXCESS OF THAT FIGURE. THUS, THEY WOULD NOT COUNT UNDER THE 6,000 WEAPONS CEILING. DUBININ SAID HE COULD PROVIDE ADDITIONAL DETAILS TO WHOMEVER THE SECRETARY MIGHT DESIGNATE.

24. TOUCHING BRIEFLY ON **NUCLEAR TESTING**, DUBININ AFFIRMED THAT MOSCOW WANTED TO MOVE AHEAD. THE SOVIET EMBASSY IN WASHINGTON HAD BEEN IN TOUCH WITH ACDA DIRECTOR ADELMAN. IT WAS PREPARED TO CONTINUE THAT DISCUSSION. BUT DUBININ WOULD PREFER NOT TO GET INTO DETAILS NOW.

25. RATHER, THE AMBASSADOR CONTINUED. HE WANTED TO NOTE THAT THERE WERE MAJOR ISSUES IN U.S. - SOVIET RELATIONS WHICH NEEDED TO BE ADDRESSED. MUCH ATTENTION WAS BEING GIVEN IN MOSCOW TO THESE ISSUES. WHERE WOULD THE RELATIONSHIP GO?

26. THE SECRETARY SAID THE U.S. HAD NOT CHANGED ITS OPINION ON THAT SCORE. IT WAS ESSENTIAL FOR THE TWO COUNTRIES AND FOR THE WORLD GENERALLY THAT WE LEARNED TO

RESOLVE OUR DIFFERENCES AND GIVE LEADERSHIP. THE SECRETARY BELIEVED THE WORLD HAD WELCOMED U.S. - SOVIET COOPERATION AT THE U.N. IN CALLING FOR A CEASEFIRE IN THE **IRAN-IRAQ WAR**. WE NEEDED TO KEEP AT IT. THAT WAS OUR APPROACH.

27. DUBININ AGREED WITH THE SECRETARY'S "GENERAL PROPOSITIONS," AND WITH HIS OBSERVATIONS ON RECENT PARALLEL ACTION AT THE U.N. THE AMBASSADOR ADDED THAT, WHILE IN MOSCOW, HE HAD HAD SEVERAL TALKS WITH SHEVARDNADZE, WHO SENT HIS REGARDS. DUBININ HAD ECHOED IN HIS REMARKS TODAY TO THE SECRETARY MANY OF THE VIEWS SHEVARDNADZE HAD EXPRESSED TO HIM. DUBININ SAID THAT, LIKE THE SECRETARY, SHEVARDNADZE HAD HIS EYE TO THE

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FUTURE WITH RESPECT TO THE CONSTRUCTIVE STEPS WHICH WERE NEEDED IF BOTH SIDES WERE TO ACHIEVE THE OBJECTIVES THEY HAD SET FOR THEMSELVES. THIS INCLUDED THE POSSIBILITY OF A MEETING BETWEEN THE SECRETARY AND SHEVARDNADZE AND A SUMMIT MEETING. BUT ONE HAD TO WEIGH ALL THE CIRCUMSTANCES. JUST DUBININ SUPPOSED. AS THE SECRETARY WAS DOING. THUS MOSCOW'S FOCUS ON AND GREAT CONCERN ABOUT THE SITUATION IN GENEVA THERE WAS MUCH TO THINK ABOUT IF THE OBSTACLES WERE TO BE OVERCOME.

28. THE SECRETARY SAID THAT BOTH SIDES SEE OBSTACLES. BUT THEY ALSO SEEM TO SEE OPPORTUNITIES. THE SECRETARY OBSERVED THAT. SINCE EARLY 1984. WE HAD KNOCKED DOWN MANY OBSTACLES AND CREATED MANY OPPORTUNITIES. THIS HAD BEEN ACCOMPLISHED THROUGH A PROCESS WHICH RELIED ON A LOT OF GOOD DIPLOMATIC WORK INTERSPERSED WITH MEETINGS AT THE MINISTERIAL LEVEL AND THE LEVEL OF THE PRESIDENT AND GORBACHEV. SOME OF THOSE MEETINGS -- THE NOVEMBER 1986 VIENNA MEETING. FOR EXAMPLE -- HAD BEEN LESS SUCCESSFUL. OTHERS HAD ACCOMPLISHED A GOOD DEAL. BUT THERE WAS A PROCESS. THE SECRETARY REPEATED THAT WE HAD TO KEEP ON WORKING AT IT. IF EITHER SIDE THREW UP ITS HANDS.

DECLARED THE EFFORT FRUITLESS AND WALKED AWAY. THAT WOULD BE THE END. ONE COULD GET NOWHERE UNLESS ONE ENGAGED. THAT WAS THE U. S. VIEW.

29. DUBININ AGREED WITH THE NEED TO PROCEED "IN THE SPIRIT" THAT THE SECRETARY HAD DESCRIBED. NOTING THE SECRETARY'S REFERENCE TO "OPPORTUNITIES." DUBININ PROPOSED THAT THE "FORMAL" PART OF THE MEETING END AND THAT HE AND THE SECRETARY GIVE A FREER REIN TO THEIR IMAGINATIONS. (THE SECRETARY NOTED THAT HIS TIME WAS LIMITED. BUT INVITED DUBININ TO PROCEED.) DUBININ ASKED WHETHER OR NOT IT MIGHT BE POSSIBLE TO OVERCOME THE DIFFERENCES BETWEEN THE TWO SIDES THROUGH LESS FORMAL DISCUSSIONS. THE SECRETARY HAD OUTLINED THE U. S.

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POSITION. DUBININ HAD SHARED THE VIEWS OF HIS LEADERSHIP. THE COMMON DENOMINATOR APPEARED TO BE A DESIRE TO RESOLVE OUTSTANDING DIFFERENCES. THE QUESTION WAS: "HOW?"

30. THE SECRETARY SUGGESTED THAT THE PROCESS HE HAD ALREADY DESCRIBED WAS THE RIGHT TRACK. OF COURSE HIGH LEVEL MEETINGS SHOULD BE WELL PREPARED. WAS DUBININ SUGGESTING THE USE OF PRIVATE ENVOYS? THE SECRETARY FELT THAT BASICALLY WE HAD THE NECESSARY ELEMENTS IN TRAIN. IN THE FINAL ANALYSIS, HOWEVER, IT WAS AT THE LEVEL OF THE PRESIDENT TO GORBACHEV, OR OF THE SECRETARY TO SHEVARDNADZE, THAT DECISIONS HAD TO BE MADE. FOR HIS PART, THE SECRETARY HAD GONE OUT OF HIS WAY TO ENSURE THAT HIS PERSONAL RELATIONS WITH SOVIET INTERLOCUTORS WERE GOOD SO THAT THE ISSUES COULD BE DISCUSSED AS BETWEEN HUMAN BEINGS. HE FELT THAT A SIMILAR EFFORT HAD BEEN MADE ON THE SOVIET SIDE. THAT WAS HOW THE JOB SHOULD BE DONE.

31. WITH RESPECT TO THE FRAMEWORK OF HIGH-LEVEL CONTACTS WHICH THE SECRETARY HAD DESCRIBED, DUBININ EXPRESSED AGREEMENT. HE ALSO AGREED THAT SUCH MEETINGS NEEDED TO BE WELL PREPARED. THERE WAS NO NEED FOR SPECIAL EMISSARIES. AS THE SECRETARY HAD SAID TO DUBININ DURING THEIR INITIAL MEETING, THE PRACTICE OF PERIODIC MINISTERIAL MEETINGS, SUPPLEMENTED BY THE ACTIVE INVOLVEMENT OF AMBASSADORS WITH FOREIGN MINISTRIES IN BOTH CAPITALS, WAS FULLY ADEQUATE. BUT DUBININ WOULD WELCOME THE OPPORTUNITY TO HAVE INFORMAL DISCUSSIONS WITH THE SECRETARY FROM TIME TO TIME. IF THERE WAS TO BE A MEETING BETWEEN THE SECRETARY AND SHEVARDNADZE, DUBININ WANTED TO BE IN A POSITION TO "ORIENT" HIS GOVERNMENT TOWARD A POSSIBLE OUTCOME. IF, FOR EXAMPLE, THE GERMAN MISSILES WERE A REAL OBSTACLE TO AN INF AGREEMENT, THE QUESTION IN MOSCOW WOULD BE, "WHY COME?" THIS WAS ONLY

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AN EXAMPLE OF THE KIND OF QUESTION DUBININ WANTED TO BE IN A POSITION TO HELP ANSWER. DUBININ EMPHASIZED THAT

HIS ONLY DESIRE WAS TO HELP MOVE THINGS IN A MORE POSITIVE DIRECTION. THE SOVIETS FELT THEY WERE BEING VERY CONSTRUCTIVE. HE WAS AT THE SECRETARY'S DISPOSAL TO EXPLORE ANY OF THE ISSUES THEY HAD BEEN DISCUSSING.

32. THE SECRETARY SAID HE THOUGHT IT WAS GOOD THAT THE SOVIET AMBASSADOR IN WASHINGTON HAVE EASY AND INFORMAL RELATIONS WITH THE SECRETARY OF STATE. THE U.S. AMBASSADOR IN MOSCOW SHOULD ENJOY SIMILAR TREATMENT. WE HAD COMPETENT AND KNOWLEDGEABLE PEOPLE IN BOTH CAPITALS AND SHOULD USE THEM.

33. BEFORE LEAVING, THE SECRETARY SAID HE WANTED TO RAISE AN ISSUE ON A DIFFERENT SCALE FROM THOSE THAT HAD BEEN DISCUSSED, BUT AN IMPORTANT ONE NONETHELESS -- OUR MISSION IN MOSCOW. WE HAD LOTS OF PROBLEMS IN MOSCOW.

TO CORRECT THEM WOULD REQUIRE A LOT OF WORK ON THE PHYSICAL STRUCTURES INVOLVED. THE SECRETARY KNEW THAT THERE HAD ALREADY BEEN EXTENSIVE BILATERAL DISCUSSION OF THIS ISSUE, AND NOTED THAT, SO FAR, WE HAD BEEN SATISFIED WITH THE SOVIET RESPONSE. BUT HE WANTED TO UNDERSCORE THE IMPORTANCE OF HANDLING THESE PROBLEMS IN A COLLABORATIVE MANNER SO THAT THEY DID NOT BECOME A NEW OBSTACLE IN THE RELATIONSHIP. WE DIDN'T NEED ANOTHER.

34. DUBININ ACKNOWLEDGED THAT HE HAD DISCUSSED THE MOSCOW EMBASSY PROBLEM BEFORE HIS RETURN TO MOSCOW WITH AMBASSADOR RIDGWAY. EVERYTHING SHE HAD SAID HAD BEEN ACCURATELY REPORTED TO MOSCOW. IT WAS BEING CAREFULLY AND CONSTRUCTIVELY STUDIED. AS FOR THE NEW U.S. CHANCERY BUILDING, NO FORMAL APPROACHES HAD YET BEEN MADE BY THE AMERICAN SIDE. THE SECRETARY CONFIRMED THIS.

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35. AS THEY ROSE TO END THE MEETING, THE SECRETARY ASKED
AS TO DUBININ'S VACATION PLANS. DUBININ SAID THAT HE
HOPED THAT, UNLIKE LAST AUGUST, THE FOREIGN MINISTER
WOULD LET HIM HAVE A VACATION. THE SECRETARY SAID HE
CERTAINLY INTENDED TO TAKE HIS. SHULTZ

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK C. CARCUCCI

SUBJECT: Mrs. Thatcher's View of Gorbachev --
(Weekend Reading)

Prime Minister Thatcher has developed a somewhat paradoxical view of Gorbachev. She has written you about it on her return from a highly successful Moscow visit (see Tab A) and has aired it in press interviews. Given her intense interest in Soviet internal developments and their possible meaning for East-West relations, she will probably address them during her visit here next week.

On one hand, Mrs. Thatcher sees Gorbachev as sincerely aiming to revitalize Soviet society through reforms, that his efforts are politically courageous, and that they deserve encouragement from the West. Underlying this view is a conviction, which you share, that a truly more productive and prosperous USSR has to be a more liberal and decentralized system, which could be a more congenial neighbor in world affairs.

On the other hand, the Prime Minister sees Gorbachev as a very skillful and even dangerous challenger of the West. He is, in her eyes, a convinced communist, not a democrat of any stripe. He is ignorant and naive about the West, despite his more sophisticated demeanor; and he needs to be told bluntly where our values and goals differ from his. Very perceptively, she also notes in Gorbachev a certain naivete about his own system and his plans for reform. Because he is a convinced communist, he cannot really see the ultimate source of his system's ills in statism, collectivism, and party dictatorship. Nor can he invent a complete plan for reform; he must move step by step, by trial and error. His politics may be bold, even courageous; but he has no choice.

Mrs. Thatcher also notes that efforts at internal reform have, so far, not been accompanied by more than tactical reform in Soviet foreign policy. A striking case in point: The Soviet leaders who proclaim "new thinking" on foreign policy (such as Aleksandr Yakovlev, the new Politburo member and ideological mentor of Gorbachev) are also the authors of vicious anti-US disinformation, such as US government manufacture of AIDS.

Mrs. Thatcher's positive views on Gorbachev are no cause for quarrel. She asserts them in part for domestic reasons, in part because she has been greatly impressed by Gorbachev personally. But they raise two policy problems. First, by granting him the

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BY RW NARA DATE 3/16/11

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reputation of a true reformer, she helps make Gorbachev the media darling, especially in Europe, that she herself finds dangerous. Gorbachev may be or may become a real reformer, but he hasn't really earned this label fully. He has not yet moved beyond words, plans, and general decrees except in cultural/media liberalization, which is reversible. It would be well if Western publics heard more of the skepticism about his actual prospects for success that dominate the views of experienced Soviet watchers and, for that matter, most Soviet citizens.

Second, the Prime Minister's admonition that we encourage Gorbachev in his reform effort begs the question: How do we operationalize this without giving him dangerous, gratuitous, or at least premature concessions on security, human rights, or economic/technology issues? My answer would be as follows:

We give no concessions unless warranted by our own interests.

We safeguard the vitality of our own values and strengths. Throughout Russian history, the values and strengths of the West have been the primary source of any kind of reform in that country.

We make sure that our values are broadcast (literally by radio and all other means) into Soviet society so pressures for reform come from below.

We deny Moscow success in imposing control over other countries and challenge that control where it now exists, so that Kremlin rulers cannot use imperialism as a means to security and place in the world.

Finally, we can make clear that we applaud real reform in the USSR, reform that is truly liberalizing, democratizing, and conducive to the rule of law. We do not oppose it because we fear such reform would make the USSR stronger. Rather we believe true reform would make the USSR a better neighbor.

I doubt Prime Minister Thatcher would differ with any of this. And it is in fact what we are trying to do.

Attachment

Tab A Mrs. Thatcher's letter

Prepared by:
Fritz W. Ermarth

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BY 105 NARA DATE 9/30/08

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TO>TO THE WHITE HOUSE

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E C R E T VIA CABO CHANNELS

QQQ
MESSAGE FROM THE PRIME MINISTER
TO THE PRESIDENT OF THE UNITED STATES.

DEAR RON,

I HAVE JUST GOT BACK FROM MY VISIT TO THE SOVIET UNION AND
WANT TO LET YOU KNOW STRAIGHTAWAY HOW IT WENT. GEOFFREY HOWE
WILL BE GIVING GEORGE SHULTZ A DETAILED ACCOUNT NEXT WEEK.

I FOUND MR. GORBACHEV IN VERY VIGOROUS AND ROBUST FORM. ALTHOUGH
IT IS ALWAYS DIFFICULT TO TELL IN THE SOVIET SYSTEM, HE GAVE EVERY
IMPRESSION OF BEING FULLY IN CHARGE, WITHOUT ANY NEED TO CONSULT
HIS COLLEAGUES. HE SPOKE WITH THE UTMOST CONFIDENCE AND ASSURANCE.
IT WAS NOTICEABLE HOW RYZHKOV DEFERRED TO HIM. DESPITE SOME
CONTROVERSY OVER HIS REFORM AND RESTRUCTURING PLANS, I WOULD
SAY THAT HE IS VERY FIRMLY IN THE SADDLE.

I WAS VERY STRUCK BY THE PROMINENT ROLE WHICH MRS. GORBACHEV
PLAYED IN THE VISIT. BOTH OF THEM WENT TO GREAT LENGTHS TO BE
GOOD HOSTS. WE ENDED WITH A VERY INFORMAL SUPPER PARTY ATTENDED
ONLY BY MR AND MRS RYZHKOV AT WHICH WE TALKED VERY FREELY.
GORBACHEV IS DETERMINED TO PRESS AHEAD WITH HIS PLANS FOR INTERNAL
REFORM. HE APPEARS TO REALISE THAT IT WILL TAKE TIME TO GET
RESULTS IN THE ECONOMY: HE SPOKE OF 5-7 YEARS BEING NEEDED.
HE TALKS ABOUT HIS AIMS WITH ALMOST MESSIANIC FERVOUR. AT OUR
PRIVATE SUPPER HE SPECULATED FREELY ABOUT SUCH LONG-TERM IDEAS
AS PAYING PEOPLE MORE AND THEN CHARGING THEM SOMETHING FOR SERVICES
LIKE HEALTH AND EDUCATION. HE TALKS ABOUT THE NEED FOR INCENTIVES.
HE CLEARLY RECOGNISES WHAT A POOR STATE THE SOVIET ECONOMY IS IN.
BUT SOME OF HIS IDEAS APPEAR SIMPLISTIC. ONE CANNOT YET SEE
HOW THEY WILL DELIVER INCREASING PROSPERITY ON THE SCALE
HE WANTS AND NEEDS. I DOUBT THAT HE IS READY TO TAKE THE SORT
OF STEPS NEEDED FOR REALLY FUNDAMENTAL REFORM. EVEN SO, I AM
FIRMLY CONVINCED THAT IT IS IN OUR INTEREST TO ENCOURAGE HIM,
ESPECIALLY IN HIS ENDEAVOURS TO CREATE A MUCH MORE OPEN SOCIETY.
MY TALKS WITH GORBACHEV LASTED SOME 12 HOURS. HE HIMSELF DESCRIBED
THEM AS HAVING BEEN SOMEWHAT TURBULENT BUT HAVING GREAT CLARITY.
WHAT STRUCK ME MOST WAS THAT, HOWEVER SOPHISTICATED GORBACHEV
AND HIS SENIOR COLLEAGUES MAY BE BY COMPARISON WITH PREVIOUS
GENERATIONS OF SOVIET LEADERS, THEY STILL HARBOUR AN EXTRAORDINARY
DEGREE OF MISCONCEPTION AND MISINFORMATION ABOUT WESTERN LIFE
AND VALUES. IF EVER I HAD ANY DOUBTS WHETHER GORBACHEV IS A TRUE
BELIEVER IN THE COMMUNIST SYSTEM, MY TALKS WITH HIM DISPELLED
THEM. I TRIED TO SHOW HIM A LESS DISTORTED VIEW OF INTERNATIONAL
REALITIES, SPELLING OUT WITH COMPLETE CANDOUR THE REASONS FOR
THE WEST'S APPREHENSIONS ABOUT SOVIET POLICIES AND INTENTIONS.
I TOLD HIM THAT WHILE WE WELCOMED HIS COMMITMENT TO INTERNAL
REFORM, WE STILL AWAITED SIGNS OF CHANGE IN SOVIET EXTERNAL
POLICIES. HE DID AT LEAST CLAIM THAT THE AIM OF EXTENDING
COMMUNIST DOMINATION THROUGHOUT THE WORLD WAS ONLY A SCIENTIFIC
CONCEPT OF NO PRACTICAL RELEVANCE TO SOVIET POLICIES.

ARMS CONTROL I ENDURED A LONG LAMENT ABOUT HOW THE WEST

RESPONDED TO SOVIET INITIATIVES BY CREATING NEW LINKAGES AND CONDITIONS. BUT I BELIEVE THAT I WAS ABLE TO MOVE HIM TOWARDS ACCEPTANCE IN PRACTICE OF THE STEP BY STEP APPROACH WHICH WE AGREED AT CAMP DAVID LAST YEAR. HE IS KEEN TO COMPLETE AN INF AGREEMENT AND ACCEPTS THAT IT MUST INCLUDE CONSTRAINTS ON SHORTER-RANGE SYSTEMS, ALTHOUGH HE IS NOT PREPARED TO ACCEPT A WESTERN RIGHT TO MATCH SOVIET LEVELS (WHICH I SAID WAS A KEY POINT). HE ALSO OBJECTS TO THE PLANS TO DOWNGRADE PERSHING IIS TO PERSHING IS. HE PROFESSED WILLINGNESS TO WITHDRAW THE SS22S AND SS23S FROM EUROPE AND DESTROY THEM IN FRONT OF THE TELEVISION CAMERAS. HE ACCEPTS THAT THERE SHOULD BE IMMEDIATE FOLLOW-ON NEGOTIATIONS ON SHORT-RANGE WEAPONS, BUT INSISTS THAT THESE SHOULD INCLUDE U S FORWARD-BASED SYSTEMS, INCLUDING THE DUAL-CAPABLE AIRCRAFT. I REMINDED HIM THAT THE SOVIET UNION HAD FAR MORE AIRCRAFT IN THIS CATEGORY. HIS AIM IS PATENTLY THE DENUCLEARISATION OF EUROPE. I LEFT HIM IN NO DOUBT THAT I WOULD NEVER ACCEPT THIS.

THESE ARE POINTS WHICH YOUR NEGOTIATIONS WILL HAVE TO PURSUE IN GENEVA. BUT HE SEEMS GENUINELY ANXIOUS TO HAVE AN AGREEMENT WHICH HE CAN PRESENT AS A CONCRETE ACHIEVEMENT FOR HIS NEW APPROACH. I WOULD THINK THAT THERE IS A PRETTY REASONABLE PROSPECT OF GETTING SUCH AN AGREEMENT WHICH MEETS OUR REQUIREMENTS BY THE END OF THIS YEAR.

HE ALSO SEEMS READY TO MAKE PROGRESS TOWARDS AGREEMENT ON CHEMICAL WEAPONS, ALTHOUGH I REALISE THAT THIS MAY IN PART BE TACTICAL BECAUSE OF SOVIET FEARS THAT THE UNITED STATES WILL RESUME PRODUCTION OF SUCH WEAPONS. BUT HE WAS VERY MUCH TOUGHER ON THE LINK BETWEEN START AND SDI. I PUT TO HIM MY IDEAS ON GREATER PREDICTABILITY. HE DESCRIBED THEM AS AN INTERESTING, PRACTICAL PROPOSAL BUT GAVE NO SIGN OF FLEXIBILITY. ALTHOUGH HE SUBSCRIBES TO THE NEED FOR EARLY NEGOTIATIONS TO REDUCE CONVENTIONAL WEAPONS HE TRIES TO DENY THAT THERE IS AN IMBALANCE IN THE SOVIET UNIONS FAVOUR. THIS DOES NOT BUDGE WELL FOR SERIOUS DISCUSSIONS.

DETECTED LITTLE SIGN OF NEW THINKING ON AFGHANISTAN. HE AND HIS COLLEAGUES ARE CLEARLY MUCH EXERCISED ABOUT THE PROBLEM AND ARE THRASHING AROUND LOOKING FOR A WAY OUT. BUT THEY ARE STILL NOT READY TO ACCEPT THAT THE PRESENT REGIME IS NOT AN ADEQUATE BASIS FOR POLITICAL RECONCILIATION.

HE OBJECTED STRONGLY TO MY RAISING HUMAN RIGHTS, BUT NEVERTHELESS GAVE SOME QUITE USEFUL ASSURANCES ABOUT THE TREATMENT OF INDIVIDUAL CASES. MY FEELING IS THAT WE SHALL SEE SOME PROGRESS, ALBEIT SLOW, ON THIS FRONT. THE VISIT WAS VERY WELL WORTHWHILE ON AT LEAST THREE COUNTS:

GORBACHEV NEEDS TO BE TOLD IN PLAIN, UNVARNISHED TERMS WHAT THE WESTERN VIEWPOINT IS. AND HE WAS. IT WAS INTERESTING THAT HE DID NOT ALLOW MY FRANKNESS TO AFFECT OUR PERSONAL RELATIONSHIP. I WAS ALSO ABLE TO GET OUR POINT OF VIEW ACROSS TO A MUCH WIDER AUDIENCE ON SOVIET TELEVISION. I WAS INTERVIEWED FOR SOME 50 MINUTES AND EVERY WORD WAS TRANSMITTED, EVEN THOUGH I MADE SOME VERY EXPLICIT COMMENTS ABOUT THE SOVIET SYSTEM AND THEIR POLICIES.

WE HAVE AN INTEREST IN SUPPORTING HIS REFORM POLICIES, EVEN IF THEIR RESULTS ARE MODEST. AS SAKHAROV HAS SAID, AN OPEN SOCIETY IS A GIFT FOR ITS NEIGHBOURS. WE SHOULD PUSH GORBACHEV TO RECOGNISE THIS FACT.

THE RESPONSE OF THE RUSSIAN PEOPLE WAS REMARKABLE ON MY WALKABOUTS IN MOSCOW, ZAGORSK AND TBILISI. THERE IS CLEARLY A DEEP LONGING FOR CONTACT WITH THE WEST. WE SHOULD TAKE EVERY OPPORTUNITY TO EXPLOIT THIS FACT AS MUCH AS POSSIBLE TO MAKE OURSELVES AND OUR SOCIETIES BETTER KNOWN TO THEM. I HOPE THAT YOU WILL HOLD THIS INFORMATION CLOSELY. I LOOK FORWARD TO DISCUSSING THESE MATTERS MORE FULLY WITH YOU WHEN WE NEXT MEET.

WARM REGARDS,
OURS, MARGARET.

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1. What kind of USSR is Gorbachev after?
 - More decentralized, modern, efficient
 - Therefore, more productive and powerful
 - More appealing and effective in world affairs
 - Still authoritarian; an "ideal" Leninist society
 - Still hostile to the West, possibly more aggressive.
2. Would this USSR be good for the US?
 - Absolutely not!
3. What are Gorbachev's chances of success?
 - Uncertain at best
 - Other outcomes more probable.

Revolution?

30%

- Logic of freedom
- Social instability
- Western influence
- Death of ideology
- Nationalities

Liberalization

Fear
Resendment
Instability

USSR
Now

Gorbachev's
Goal

20%

- Desire of Gorbachev group
- "Ideal" of Marxism-Leninism
- Needs of system for modernity

Traditional Outcome
Stagnation/Repression
Xenophobia/Aggression

50%

- Russian/Byzantine culture
- Court politics
- Bureaucracy
- Fear of revolt
- Lack of experience

4. Can the West influence these outcomes?

- Not very much
- Least of all by discrete policy choices in short time
- Accommodation is counterproductive!

5. What can the West do to encourage best or least-worst outcomes?

- Maintain and broadcast Western values
- Maintain and use Western strength to contain the Soviet hegemonical state.
- Challenge the hegemonical state by active measures in Third World, East Europe, inside USSR
- Encourage Russian liberals and national minorities.

6. Practical implications...

- Western solidarity and military strength are vastly more important than anything arms control can deliver
 - We cannot just kick the arms control habit. Too much public appeal; Soviet incentives to play on
 - Must try to reduce appeal of arms control over time.
- Soviet hegemonical policies must fail where they are most exposed: Afghanistan and Nicaragua
- Soviet hegemony in East Europe must be challenged more effectively
- We have to do more to reach internal audiences over the heads of the state.

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BY WJ NARA DATE 9/30/08

MAR 29 1988



Ermath 51
UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230



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Memorandum for Distribution List

From: Franklin J. Vargo, U.S. Executive Secretary,
Joint US-USSR Commercial Commission

Subject: Protocol to the Long-Term Agreement to
Facilitate Economic, Industrial and Technical
Cooperation (EITCA)

Attached for your approval is a draft of an abbreviated protocol which amends the EITCA by taking into account the changes which have occurred in the Soviet foreign trade system since the Agreement was signed in 1974. It expressly notes that the provisions of EITCA apply to joint ventures and other forms of doing business which are now legal in the USSR. It does not broaden the provisions.

Please telephone Susanne Lotarski at 377-3857 with your clearance/comments by COB Wednesday, March 30.

377-1104

Attachment

Classified by: Franklin J. Vargo
Declassify on: O.A.D.R.

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NLRR F06-114/8 #18146a

BY LOJ NARA DATE 9/30/08

US draft 3-28-88

PROTOCOL

to the Long-Term Agreement
between the
United States of America and
the Union of Soviet Socialist Republics
To Facilitate Economic, Industrial and Technical Cooperation
of June 29, 1974

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics, taking note of the new forms of cooperation which have become possible since the Long-Term Agreement Between the United States of America and the Union of Soviet Socialist Republics to Facilitate Economic, Industrial and Technical Cooperation was concluded on June 29, 1974, have agreed that:

- (1) The forms of cooperation covered by the terms of the Long-Term Agreement shall be understood to include commercially viable joint ventures and industrial cooperation based on mutually beneficial contracts between firms, enterprises, and other appropriate organizations of the two countries as permitted by the Parties' respective applicable laws and regulations.
- (2) The U.S.-USSR Commercial Commission will monitor the practical implementation and develop concrete proposals to achieve the cooperation foreseen in this Protocol and the Long-Term Agreement. The Working Group of Experts will exchange information that will assist the Commission in developing solutions to specific practical issues relating to the implementation of this Protocol and the Long-Term Agreement.

This Protocol is an integral part of the Long-Term Agreement and enters into force on the date of its signature

Done in Moscow on (date) in duplicate, in the Russian and English language, both texts being equally authentic.

FOR THE UNITED STATES
OF AMERICA:

FOR THE UNION OF SOVIET
SOCIALIST REPUBLICS:

Classified by: Franklin J. Vargo
Declassify on: O.A.D.R.

~~CONFIDENTIAL~~

3-29-88 8:30 am

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