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MEMORANDUM OF CONVERSATION

DATE: October 11, 1986

TIME: 10:40 a.m. - 12:30 p.m.

PARTICIPANTS:

US SIDE

President Reagan
Secretary Shultz (came in at 11:30)
Ambassador Matlock
D. Zarechnak (interpreter)

USSR SIDE

General Secretary Gorbachev
Foreign Minister Shevardnadze (came in at 11:30)
Notetaker
N. Upsenskiy (interpreter)

The President invited the General Secretary to have a seat at the table.

Gorbachev thanked the President and noted that both sides had a lot of paper with them. What did this mean?

The President replied that it was to recall the things that the two of them had discussed in Geneva. He continued that he was glad that the General Secretary had proposed this meeting, since it was important to make sure that their next meeting would be a productive one.

Gorbachev replied, in turn, that he and the Soviet leadership very much appreciated the President's agreement to have this meeting.

The President said that he had been looking forward to the meeting. He proposed that the two of them could meet alone, and perhaps also alternate their meetings with meetings that would include the respective Foreign Ministers. Would the General Secretary agree to such an approach?

Gorbachev indicated that he would.

The President asked Gorbachev which questions he felt they should discuss.

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Gorbachev replied that he wished to begin with a brief exchange of views about the present situation, which had given rise to Gorbachev's proposal to meet with the President before his visit to the US. After that he would tell the President about the proposals which he had brought with him. At that point they might ask Foreign Minister Shevardnadze and Secretary Shultz to join them.

The President indicated that this was acceptable.

Gorbachev said that he was prepared to talk about everything that the President thought needed to be discussed here.

The President replied that there were a number of things that had been discussed and left open in Geneva, such as INF, the ABM Treaty, space arms and nuclear testing. The US side was especially interested in strategic arms proposals for the US negotiators in Geneva. Both the US and USSR would like to see a world without nuclear missiles. This was a very important issue, and the world was interested in the possibility of achieving this.

Gorbachev replied that since this was the main issue for the meeting, perhaps they could devote this first session to that issue, including the subsequent participation of the Foreign Ministers. Then in the afternoon questions of regional issues, humanitarian issues, bilateral relations, and everything else that was the subject of mutual interest could be discussed.

The President replied that the question of humanitarian issues and human rights needed to be discussed. This was a question different from the other ones in that no formal agreement would be signed on this, but this was a very important issue for the US side. The degree to which the President could work together with the Soviet side depended on US public opinion. This concerned such issues as emigration. This would never be put forward as a demand by the US side. The President was simply trying to say how important this issue was and how it would open up greater possibilities for achieving other aims if steps were taken along these lines. But the US would never take credit for this.

Gorbachev suggested that after a brief exchange about how to structure their meeting they could have a basic exchange of views on what had happened since Geneva and in the world in general and what US and Soviet concerns were at present. Then Secretary of State Shultz and Foreign Minister Shevardnadze could be invited to join them, at which time he could present specific arms control proposals involving strategic offensive weapons, medium-range forces, the ABM Treaty, nuclear testing, and all issues of nuclear arms and the arms race.

The President agreed and indicated that the reason for bringing up the other issues was their effect on the issue of arms

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control. As he had indicated in Geneva, this was not an attempt to interfere in the internal affairs of the Soviet Union. But public opinion was very important in the US. One-eighth of US citizens have relatives and families with ties to the Soviet Union. Just the other day, and the President would return to this later, he had received a message from a US Senator whose mother had emigrated from Russia. Now her son had become an American Senator. Another example of such ties were the President's own ties to Ireland. In general, Americans have a very strong bond to the lands of their heritage. So it is easier for the US to reach agreements with the USSR if public opinion is not aroused by things that happen in the countries where people came from. But the President agreed that the issue of nuclear arms was the most important issue in the world today.

Gorbachev indicated that he wished to give his evaluation and the evaluation of the Soviet leadership concerning the importance of their present meeting in light of the current world situation as the Soviet side sees it.

The President agreed to listen to what Gorbachev had to say.

Gorbachev stressed that much had been said in the world about the decision to meet in Reykjavik. Many contradictory views were being presented. But he was certain that this was an important step which the President and the Soviet leadership had taken. Cooperation between the US and the Soviet Union was continuing and the present meeting bore witness to that. The process was a difficult one and was not going as smoothly as the two countries and their peoples might wish, but it was continuing. This was the main thing which justified this meeting.

The President agreed.

Gorbachev continued that many people in the world viewed the meeting between them as a chance for each of them to promote their personal ambitions, but he totally rejected this notion and considered that they were accountable vis-a-vis their governments and their countries, since too much depended on the two countries, the relationship between them, and contacts between their two leaders.

The President replied that, as he had indicated in Geneva, they had a unique opportunity to possibly decide whether or not there should be war or peace in the world, and he assumed that both sides wanted peace. The question was how to bring this about with confidence and with a decrease in mistrust between the two peoples.

Gorbachev said that this was his second thought as well. Since Geneva the development of the bilateral relationship had not been smooth, and there were occasional flair-ups. The relationship was not an easy one, but it had been improving. But with regard

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to the main issue, which was of greatest concern, i.e., the nuclear threat, the Geneva Summit had been intended to give a push to the negotiations on this issue. A great deal has been said about the matter, but that things had come to an impasse. For when there are 50 or 100 different proposals, there is no commonality of approach and no indication of progress. For this reason Gorbachev felt that a meeting was necessary in order to push the two sides along the main directions aimed at achieving agreements which could be signed during Gorbachev's visit to the US.

The President replied that these were the thoughts of the US Delegation as well. After Geneva, the experts of both sides had presented various proposals. The US side had presented a proposal for 50 percent reduction, which was apparently too much for the Soviet side. The US had proposed a limit of 4500 on ballistic missile warheads, and the Soviet side had proposed 6400 to 6800. The US side felt that this number was too high and that with such a high level, the world would still be threatened by destruction. The US, however, was ready to conclude an interim agreement, and bearing in mind the goal of total elimination of such weapons, the US would be prepared to agree to a number between those two figures, i.e., 5500.

Gorbachev replied that he wished to make it very clear to the President and the US Government that the Soviet side wished to find such solutions which would take equal account of Soviet and US interests. Any other approach would not be realistic. If the Soviet side only wished to look out for its interests or to strive for superiority in some other way, it felt that this would not stimulate US interest. An agreement could not be built on such a basis. He wanted to clearly say that the Soviet side was in favor of proposals which were aimed at total elimination of nuclear arms, and on the way to this goal there should be equality and equal security for the Soviet Union and the United States. Any other approach would not be acceptable. The Soviet side would count on the President and the US Government to approach the situation in the same way.

The President indicated his agreement and added that one of the most difficult issues of the negotiations was the issue of verification, to make sure that both sides did what they had promised to do. He quoted a Russian proverb: "Doveray no proveryay (trust but verify)." In previous statements, the two sides had spoken optimistically about INF and the eventual elimination of nuclear weapons. The negotiators in Geneva had discussed a cut-back in the number of weapons. And whether the two sides would start there or would start with proposals to decrease strategic weapons, if agreement could be reached on verification which would give confidence about the fact that neither side was doing what it had agreed not to, this could be a very big step, and the world would cheer.

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Gorbachev replied that he would like to support what the President had said about the importance of verification. The two sides were now at the stage where they could begin a concrete process aimed at arriving at agreements, and verification had an important part to play in this. The Soviet side was interested in this issue. Without such verification he did not think it would be possible to have agreements leading to greater peace and an improvement of the international situation. The Soviet side was prepared, and he knew that the US was also prepared, to go as far as necessary to have complete confidence in the fact that agreements were being fulfilled.

Gorbachev said that he wished to say one more thing and then Secretary Shultz and Foreign Minister Shevardnadze could be invited in and he could present the Soviet side's specific proposals. He wished to touch upon their next meeting in the US. Reykjavik was sort of half-way point on the way to that meeting.

The President agreed.

Gorbachev said that someone had stated that Iceland was picked because it was the same distance from Moscow and Washington and that this was done in order to show that the US and USSR were working on the basis of equality in every respect.

The President replied that he had chosen Iceland out of the proposals made by the General Secretary not because he had measured the distances, but because he felt that London was too big and too busy a city and would not lend itself to the type of free discussions which they wished to have. He then asked Gorbachev if he had a date in mind for the U.S. meeting or whether he, the President, ought to propose a date.

Gorbachev replied that, as he had written to the President and as he had stated publicly, the Soviet side felt that the meeting in the US should be marked by concrete results on important issues, primarily those concerning halting the arms race, which were of concern to the US people, the Soviet people and other nations as well. That meeting could not be permitted to fail. This would have very serious consequences. The world would say that these politicians are meeting and talking, which was good, but a great deal of time had been spent and there had been one meeting, two meetings, and three meetings without any forward movement. This would be very bad for the two countries and for the world. So the present meeting should lay a basis for the meeting in the US during which specific agreements could be signed. After there is an exchange of views and the two sides see where they are and how they should work in order to arrive at agreements to be finalized in the US, what instructions are to be given and how much work needs to be done, then the two sides could agree on the date of the meeting.

The President agreed and said that they could go forward and try

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to achieve such understandings. He indicated, however, that in talking about the number of missiles, he had failed to mention one important factor, i.e., an agreement on throw-weight. It would not be good if there were agreement only on the number of missiles where one side had considerably more destructive power. As he had indicated before, this would be an element of an interim step on the way to complete elimination of nuclear weapons.

Gorbachev noted that exactly one hour had passed during which they had exchanged views on the basic relationship, and if the President did not object, they might now call in their Foreign Ministers, and he would like to give the US side the Soviet side's proposals on nuclear weapons.

The President agreed.

After a short interval, Secretary Shultz and Foreign Minister Shevardnadze joined the President and the General Secretary.

The President explained to Secretary Shultz that the General Secretary had started by speaking of strategic missiles and had indicated that various figures had been given in Geneva. The proposals which the Soviet side has come with would be aimed at producing results which could then be finalized and signed during the next meeting between the President and the General Secretary in the United States.

Gorbachev said that if the President did not object, he wanted to present the Soviet side's proposals, which would then give a push to the negotiators in Geneva.

The President agreed to listen to Gorbachev's proposals.

Gorbachev indicated that in the basic exchange of opinions on bilateral relations, he had recognized an admission of the mutual ultimate aim of total elimination of nuclear weapons. This stemmed from what had been agreed in Geneva, i.e., that a nuclear war must never be fought. On January 15 the Soviet side had proposed a plan for the complete elimination of nuclear weapons. The US side had also made various proposals. Gorbachev wished to confirm that the US side should understand that during the movement towards complete elimination of nuclear weapons, it was expected that there would be equality and equal security for both sides at all stages of this process. Neither side should attempt to strive to achieve superiority.

Gorbachev said that he wanted to begin with the area of strategic offensive weapons. In Geneva the Soviet side had proposed a reduction of these weapons by 50 percent. Since then, and at present, many different options have been floated in Geneva, but now he wished to say that the Soviet side is interested in

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radical reductions of strategic offensive arms by 50 percent and no less. In the year's time that had gone by since Geneva the Soviet side had become convinced that it would be possible to expect large reductions in these systems.

Gorbachev continued that, unlike previous Soviet proposals, wherein the 50 percent covered all weapons reaching the territory of the other side, the present one concerns only strategic weapons, without including medium-range missiles or forward-based systems. This takes into account the US viewpoint and is a concession.

Gorbachev continued that since strategic arms formed the basis of the nuclear might of the two sides, it would be especially important to have a good understanding of each other's interests and to have equality. As had been indicated before, historically the composition of the nuclear forces of the two sides has been different. Nevertheless, in reducing these forces by 50 percent, the Soviet side would be prepared to have a considerable reduction of heavy missiles, in answer to US concerns. He wished to stress that this would be considerable, and not just cosmetic. However, he would expect the US side to have the same regard for the Soviet side's concerns. One example of this would be the fact that there are now 6500 nuclear warheads on American submarines which are all over the world and which are difficult to monitor. More than 800 of these missiles are MIRVed. The Soviet side knows the great precision of US missiles, both submarine-based and land-based. Therefore, each side would need to meet the concerns of the other one, and not to try to back it into a corner.

Gorbachev continued that with regard to medium-range missiles, a great deal has been said lately between the two countries and in the world. Various predictions are being made even as the two of them sat here together. The Soviet side had analyzed this issue again, taking into consideration the situation in Western Europe, the views of governments there, as well as public opinion, and had decided to take a broad approach on this issue. Solutions ought to be found which would take account of the interests of the two sides, as well as their allies. Therefore, the Soviet side was proposing to have a complete elimination of US and Soviet medium-range nuclear forces in Europe. In doing so, the Soviet side has made the concession not to count English and French nuclear forces. This was a big step, since both quantitatively and qualitatively the possibilities of developing those forces were very great. But a compromise needed to be found, and therefore risks needed to be taken.

Gorbachev continued that with regard to medium-range nuclear forces in Asia, in the spirit of cooperation and in light of the concessions made by the Soviet side, the US should take back its demands about these missiles or give instructions to both sides to negotiate this issue, i.e., nuclear forces in Asia - both

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Soviet and US.

Gorbachev continued that with regard to missiles of less than 1000 kilometer range, the Soviet side proposed a freeze, coupled with negotiations about this type of weapons.

The President asked if the General Secretary was talking about shorter-range missiles, and the General Secretary confirmed this.

Gorbachev indicated that he thought that the President and the US Administration should appreciate these significant steps which the Soviet side had taken on this very important issue.

Gorbachev continued that the third item was the question of the ABM Treaty and nuclear testing. He thought that in order for both sides to have greater confidence in the ABM Treaty, which was of unlimited duration, it would be important to set a specific period for non-withdrawal from the Treaty in order to strengthen its basis, which would then help to resolve questions of nuclear arms. The Soviet side was proposing a compromise, taking into consideration the US approach, which sets a basic period of non-withdrawal and an additional period for negotiations. The Soviet side was proposing to have a mutually determined period during which there would be complete adherence to the ABM Treaty by both sides. It would be important to get a mutual understanding which permitted research and testing in laboratories, but not outside of laboratories, covering space weapons which could strike objects in space and on earth. He noted that the Soviet side was proposing not to prohibit current systems, permitted today, i.e., stationary land-based systems and their components.

Gorbachev continued that there should be a specific period of non-withdrawal. The US side had made a proposal, and the Soviet side had made a proposal. Now the Soviet side was proposing a compromise, i.e., a sufficiently long period of time, but not less than ten years, followed by a 3-5 year period for negotiations on how to proceed subsequently.

Gorbachev continued that there was another issue connected with the latter, i.e., adherence by both sides to the ABM Treaty would require the prohibition of anti-satellite weapons. It was clear that if both sides did not abide by this prohibition, it would open a channel for development of ABM weapons. The Soviet side was proposing to arrive at a mutually acceptable agreement on this score.

Gorbachev continued that he wished to proceed now to the question of nuclear testing. As long as no large steps had been taken to reduce nuclear weapons, including strategic weapons, there might have been doubts on the part of one of the sides about the desirability of a ban on nuclear tests. But in the context of these proposals, there would be a sufficient basis to agree on a

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complete cessation of such tests. There have been negotiations on this before. The Soviet side was proposing to the US to renew either bilateral or trilateral negotiations (together with the British) in order to get agreement on a comprehensive test ban. During these negotiations, each side could do what it wished about testing, but the Soviet side felt that during the negotiations, the sides could look at questions of verification, lowering of thresholds, decreasing the number of nuclear explosions, and the 1974 and 1976 treaties. Renewing the CTB negotiations would be a good beginning and would be helpful for quickly arriving at an agreement on strategic missile forces.

Gorbachev concluded that this was the package of Soviet proposals. He wanted to suggest that the two of them give instructions to the appropriate agencies, for example, the Ministry of Foreign Affairs and the Department of State, to produce a draft agreement for signature in the US. In the context of these proposals, the Soviet side was interested in effective verification and was prepared to implement such verification by any means necessary, including on-site inspection, and would expect the same of the US side. Since these were very serious issues, in order to exclude the possibility of any misinterpretation, he said he now wished to pass these proposals in writing, in English, to the President.

The President replied that the General Secretary's proposals were very encouraging, although there were some differences vis-a-vis the US position. The first one concerned INF. The zero proposal in Europe was acceptable, but the missiles in Asia should also be reduced, because these missiles could be targeted on Europe, and the allies would be left without a deterrent. After consultation with Secretary Shultz, the President said that instead of the zero option, there could be a maximum of 100 warheads on each side. In this case, there would still be a NATO deterrent left. But the main issue was strategic arms. The US side also wants to reduce them to zero. But there is a problem with the question of the ABM provisions. SDI was born as an idea which would give a chance to all of us to completely eliminate strategic weapons. The US side proposed to go forward in reducing the number of strategic weapons and to sign a treaty which would supersede the ABM Treaty.

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representatives of the other country. So if the US side were first in developing such a system, the Soviet side would observe the test. If testing showed that such a defense system could be practical, then the treaty would call for the US to share this defense system. In return for this, there would be a total elimination of strategic missiles. A two year period could be set for negotiating this elimination of strategic missiles and the sharing of the defense system.

The President continued that the reason for wanting such a system was that the two of them would not be there forever. Perhaps in the future there might be those who would want to cheat or there might be a madman such as Hitler who would want to have such weapons. But if both countries had such a defense system, we would not need to be concerned about what others might do and we could rid the world of strategic nuclear arms. Such a treaty would be signed by both sides and would be binding on both sides for the future as well....

Gorbachev indicated that he wished to briefly reply to what the President had said. First of all, he thought that the President's reply was a preliminary one, since these were new proposals by the Soviet side which had not been put forward before. He asked the President to study them, and they could meet again to have an exchange on this. The things that the President had said now had already been mentioned on the level of the negotiators in Geneva. The Soviet side valued the work which the specialists were doing in Geneva, but at the present talks a push needed to be given to those negotiators, and it was for this reason that the Soviet side had made its proposals.

Gorbachev continued that the Soviet side had proposed to agree to the US zero option with regard to medium-range missiles and was ready to discuss the question of the missiles in Asia. But the President had gone back on his previous proposals, and the Soviet side did not understand this.

Gorbachev continued that with regard to the ABM Treaty, the Soviet side's proposal concerned a very important instrument which needed to be preserved. The US side, on the other hand, wanted to renounce the ABM Treaty.

Gorbachev continued that with regard to SDI, the Soviet side had sorted this out and was not concerned about the creation of a three-tier ABM system by the US. It would have a reply to such a system. The Soviet side was concerned about something else, i.e., moving the arms race into a new stage and into a new medium, and

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creating new weapons which would destabilize the strategic situation in the world. If this was what the US Administration wanted, that was one thing. But if the US Administration wanted greater security for the American people and its allies, then SDI was dangerous.

Gorbachev wished to end his quick reply to what the President had said, but asked the President to carefully examine the new Soviet proposals and to answer them point by point, with indication of where US agreed and where it had problems. This was important for the Soviet side and he thought it was important for the US side as well. He noticed that it seemed to be time to end the meeting.

The President said that he wished to say one thing. The two sides would discuss these things after lunch, and the US side would review the Soviet proposals. But he thought that the Soviet side was refusing to see the point of SDI. If US research showed that there could be such a system, and if the US went forward with such a system in the presence of offensive systems, then it could be accused of striving for a first-strike capability, since it had both protection and offensive arms. But the US would forego this. The treaty he had proposed would prevent the deployment of such a system until there was complete elimination of nuclear weapons. At the same time this system would be available to both sides, and would not be deployed until there was a complete elimination of nuclear weapons.

The President continued that the General Secretary might ask why, in that case, was there a need for defensive arms at all. And the answer was that the world knows how to make offensive arms, and just as we kept our gas masks after World War I in case there would ever be a temptation to use gas warfare in the future, such a system would be in place in case there was the temptation to secretly build nuclear missiles after the world had gotten rid of them. But this could be discussed further after lunch.

Gorbachev replied that a year had passed since their meeting in Geneva, and the Soviet side had studied the question of SDI very carefully and had sorted it out. He had indicated the Soviet side's view to the President.

Gorbachev asked the President if they should continue to discuss these issues in the afternoon, or go on to other ones.

The President replied that they should go on to other ones.

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