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MEMORANDUM OF CONVERSATION
The Secretary's Third Meeting with Shevardnadze

BLP

TIME: 7:40 pm to 10:30 pm, Thursday, April 21, 1988
PLACE: Foreign Ministry "Osobnyak," Moscow

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SUBJECTS: START/ABM; Other Arms Control; Direct Flights;
Krasnoyarsk, Central America

PARTICIPANTS

<u>U.S.</u>	<u>U.S.S.R.</u>
THE SECRETARY	SHEVARDNADZE
Gen. Powell	DepFonMin Bessmertnykh
Amb. Ridgway	Amb. Karpov
Amb. Matlock	Amb. Dubinin
Mr. Parris	Mr. Kuznetsov
(Notetaker)	(Notetaker)
Mr. Hopkins	Mr. (?)
(Interpreter)	(Interpreter)

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SHEVARDNADZE opened the meeting by suggesting that the ministers first take up arms control, followed by regional issues, if time permitted.

Invited to lead off, THE SECRETARY noted that he had been provided with extensive talking points on START and D/S issues. Much of the same ground would be gone over in working groups. But, as he saw it, there were several tasks at hand: to get as much agreed as possible while the Secretary was in Moscow; to assess what could be done by others in the weeks ahead; to see if there were a role for a final ministerial before the summit; to see if there were further steps which might yield an agreement on strategic arms by the summit; and, if this proved impossible, to find a work program which would take advantage of work done to date to achieve an agreement as soon as possible.

The Secretary said that what he had just said reflected his personal outlook. But he could say he also spoke for the President as well. The President had campaigned on a platform that said arms control required radical reductions in strategic arms. That was his theme song, along with the stress he put on improving the quality of the peace by enhancing the contribution

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of defense. Having come as far as we had, the President wanted to finish the job. But, like the General Secretary, he wanted to do the job in a good, solid way -- a way that people were comfortable with. Nonetheless, it was true that the remaining issues were difficult. So what was to be done?

The Secretary noted that he had some proposals on ALCM's which he felt represented a good way to deal with the subject. It was not clear that the Soviet side would buy the concept on which our approach was based. Another problem area was derification. Some subjects were well along, and could be pushed further. Others, like suspect sites, were relatively undeveloped, even though both sides agreed on their importance. We would soon be in a position to share some ideas, but were not there yet.

The President, the Secretary continued, was interested in reaching an agreement by the time of the summit. He wanted to complete the Treaty if that were possible. If it were not, we should nail down what we can and find a way to maintain the momentum. That was the Secretary's basic outlook. He and Shevardnadze might have a discussion of the problem at their level, leaving experts to work on the details.

The Secretary noted that in Geneva the week before he had shared his doubts that it would be possible to come up with a satisfactory, verifiable solution to the problem of SLCM's by the time of the summit. The Secretary did think there was merit in the idea of unilateral declarations, followed up continued work. The Secretary saw better prospects for the ALCM counting rule. Sublimit issues were also resolvable, in his opinion. And progress had been made on verification since the ministers had agreed to concentrate efforts in that area. There were other areas in START where much had also been achieved.

On D/S, it appeared the two sides' delegations were arguing about what should be included in the text, and what in the protocol, of any new agreement. There seemed to be a consensus that the agreement would involve the two types of documents. The Secretary felt it would make most sense to try to resolve substantive issues and then to decide where to put them.

With respect to the substance of D/S, the Secretary reaffirmed the U.S. view that the "supreme national interest" clause had to be an element of any agreement. The Washington Statement meant that there would be a non-withdrawal period, during the last three years of which there would be discussions

on strategic stability. At the end of the period, each side would be able to do as it chose (and, the Secretary predicted, neither could foresee at this point what that might be). In the meantime, the ABM Treaty would remain in force, and the right of each side to do what it chose would remain in force. The Secretary felt that the length of the non-withdrawal period could be worked out. The real issue was what would happen during that period. We had made proposals regarding sensors, and were glad to detect what appeared to be interest on the Soviet side. We might be in a position to share some additional ideas along these lines.

The Secretary reminded Shevardnadze that he had not been reading talking points, but giving the Minister a personal assessment of how things stacked up. Progress was possible with hard work. The Secretary's concern was that people would decide it wasn't possible to "get there from here" by the time of the summit and would stop working. He did not want that to happen. The summit should be a means of making things happen. But there was also a need to manage expectations. Both sides wanted the summit to be a success. The Secretary believed that, in fact, it would be, in view of the remarkable progress the two leaders had achieved. That was what needed to be recorded. But the secret of the success of the past several years had been that the substance which lay behind the documents which had been issued. This, the Secretary reiterated, was not the presentation he had been given talking points for; but it gave Shevardnadze some general frame of reference.

The Secretary thought that the Vienna meeting provided some prospects for a summit outcome. It might also be possible to focus people's attention on CW use. Human rights and regional issues were underlying sources of tension, and, if people came to be convinced that things were different, it would have an important impact on perceptions of the relationship. We wanted to leave as a legacy the notion that it was possible to have more constructive U.S. - Soviet relations. We were thus prepared to work hard to pull together the threads of the work which had been done so that the summit would be a positive contribution.

SHEVARDNADZE said he had no quarrel with the philosophy the Secretary had articulated. As for the Soviet Union's approach, he believed there was no need to remind the Secretary of statements by Gorbachev and other Soviet spokesmen. Moscow

was prepared for a far-reaching approach, and the conclusion of the INF Treaty showed that such an approach was no fantasy. Moscow agreed that there was no alternative to an agreement which guaranteed workable reductions and contributed to strategic stability.

Shevardnadze agreed with the Secretary that the two sides had to press on, but was concerned that no "milestones" were emerging. He did not think the ministers should limit themselves to only general discussions. They should seek to address the main points at issue. What were these? They had mainly to do with attitudes toward the ABM Treaty. The Soviet side had provided some ideas with respect to both substance and modalities -- i.e., nothing should be changed in the Washington Summit Statement, other than the possible addition of some "legal aspects." As to predictability and related considerations, these could be part of a joint protocol. The Washington Statement, however, was the two sides' "common heritage" -- a breakthrough which provided the basis for work in other areas.

THE SECRETARY noted that the U.S. had no problem with the Washington statement as such. But we clearly had different views as to what the statement meant, and needed to clear that up. It was not possible to wind up with a formal agreement which embodied different views. If there were no difference as to the meaning of the Washington statement, the U.S. could simply sign the Soviet draft agreement. But we knew that not to be the case, and therefore needed to keep pushing.

SHEVARDNADZE said he understood that there were differences. The Secretary had mentioned the "supreme national interest" issue. The Soviet side had not exhausted its possibilities for resolving the problem. If solutions were found to other issues, the two sides could work on this one. The U.S. had also talked about sensors, and the Secretary had suggested the Soviet side "welcomed" the ideas the U.S. had presented. In fact, the Soviets were not enthusiastic. Sensors were good things by themselves, but not if they contributed to the development of a space-based ABM system. So expert discussion was necessary to clarify what the U.S. had in mind.

THE SECRETARY said these were fair enough points, which could be discussed. The distinction between testing and deployment was an area which we needed to try to identify. There was no question that deployment was banned by the ABM Treaty. As for sensors, they already played a role outside of the ABM context. Both sides used them.

SHEVARDNADZE acknowledged that the sensors idea was an interesting. He said he had had a fine chat about it with Soviet scientists. He suggested, however, that the ministers leave it to their experts to clarify the concept, particularly with respect to the performance characteristics of the sensors in question. Shevardnadze reminded the Secretary that the Soviet side at an earlier stage had proposed a discussion of devices which would and would not be banned. The U.S. had rejected the proposal; perhaps if it had accepted it, there would now be no argument. But this was something for the experts to look at.

Returning to the basic Soviet proposal on the ABM Treaty, Shevardnadze urged that the U.S. accept a "work program" involving no changes to the language of the Washington Statement, with all other questions, e.g. on verification, sensors, to be covered by a separate document. Perhaps experts could work overnight on fleshing out the concept, and report the next morning to ministers.

Moving on to SLCM's, Shevardnadze said the Soviet side had formulated what it believed to be a sound package for resolving the problem. Moscow had proposed a ceiling for nuclear and conventionally armed SLCM's. To elaborate on that proposal, there would be, respectively, 400 and 600 in the two categories. Shevardnadze was able to go further and state that within this 1,000 ceiling, there could be freedom to mix. but so far there had been no numbers from the U.S. side.

Moscow had also set forth a proposal for verifying a SLCM limit. The Soviets were not comfortable with ambiguity in this area. If there were no agreement on SLCM's, there could be no agreement on 50% reductions of strategic weapons, since a major path would be left open for an arms race. Soviet proposals for verification were comprehensive, involving remote detection, on site inspection of production facilities, etc. The Secretary had said that the U.S. Navy was not enthusiastic about the Soviet proposals, but had provided no arguments. So there was a lack of clarity here. Shevardnadze had expected that the Secretary would be able to clarify things somewhat, but this had not happened.

On ALCM's as well, the Soviet position had been made clear. Shevardnadze was nonetheless prepared to elaborate further on the verification regime previously proposed. In the interest of clarity, the Soviet side proposed inspections even in advance of conclusion of a START agreement to determine the number of ALCM's each type of bomber could carry. Shevardnadze

noted that he had alluded to this possibility the week before in Geneva. Did it not satisfy the U.S.? It appeared Powell was not satisfied. Why was that? Why should on-site inspections be permitted for ballistic missiles, but not for bombers. If agreement could be reached on a counting regime, Shevardnadze said, it would be possible to reconsider the Soviet insistence on a sublimit for heavy bombers. Shevardnadze suggested that working groups consider the problem overnight and report to ministers the next morning. He noted jocularly that Karpov had gone pale.

On the question of mobile ICBM's, too, the Soviet side was in favor of being candid and honest. It appeared there was agreement in principle that there should be no ban on mobiles. The Soviet side had set out a verification regime for mobile missiles. Shevardnadze had asked his specialists to assume the role of U.S. spokesmen, in order to highlight the flaws in the Soviet approach. They had not convinced him. The Soviet proposal was an effective means of preventing any circumvention of the treaty. The Soviet side had made major concessions in agreeing to limit deployment areas for mobile missiles.

Shevardnadze recalled that the Soviet side had previously proposed a limit of 800 launchers for mobile ICBM's. The U.S. had called for a separate warhead number. He was now prepared to give that number -- 1,600. That would be the top limit. But Shevardnadze could see on the faces of his American interlocutors that they were not impressed. If the U.S. provided a figure of its own there could be a discussion. But so far, there had been only unilateral moves from the Soviet side.

So, Shevardnadze summarized, if one took a realistic view it was clear it would be difficult to finish work on all the remaining issues. That morning he had reflected a certain optimism. Then he had assumed the Secretary would not come to Moscow with empty hands. He had expected some new ideas from the American side.

Shevardnadze agreed with the Secretary that, if the two sides failed to produce an agreement by the time of the summit, work should continue. But there must be movement on both sides, not just one. Shevardnadze emphasized that the Soviet side did not want to take a START agreement off the summit agenda. Both sides clearly wanted one and were anxious to achieve one. But if they failed, what then? There had been

some limited movement since the Washington meeting. Perhaps the experts had developed something in their discussions. In short, the Soviet side was in favor of intensifying efforts to resolve the complex issues which remained on the table.

But a key question in any future joint work should be whether one side was seeking a unilateral advantage in the negotiations. That seemed to be the U.S. approach on the ALCM and SLCM questions. At Reykjavik, the Soviet side had appreciated that the U.S. felt most threatened by land based ICBM's, and had offered to reduce those weapons by 50%. None the Soviet side sought reciprocal treatment with respect to SLCM's and heavy bombers. That might seem an elementary approach, but it was an important one.

THE SECRETARY said that he would deal with Shevardnadze's remarks issue by issue. On ALCM's, the issue was one of distinguishing between nuclear ALCM carrying bombers and other bombers. We would be elaborating on this concept in more detail in the working group. But in essence, the number we had chosen -- 10 -- represented the load our Air Force planned to carry on most missions. What we were proposing was a rule not unlike the bomber counting rule agreed at Reykjavik. A cruise missile fit somewhere between a ballistic missile and a gravity bomb in terms of its strategic potency. We thus proposed to count -- or discount -- cruise missile carrying bombers by giving them the value of 10. That would be close to the reality, and we felt it was a fair approach to the problem.

On SLCM's, the Secretary said he was not certain he had followed some of Shevardnadze's comments. He hoped he had not heard the Minister seek to count SLCM's in the 6,000 warhead sublimit. We had always assumed it was agreed that they would be outside that ceiling. Had the Secretary misunderstood Shevardnadze? Shevardnadze had also cited a number for both nuclear and conventionally armed SLCM's. It was fundamental, the Secretary emphasized, that we were talking only about nuclear armed cruise missiles. Conventionally armed systems were not covered. The Secretary had wanted to flag these two points.

He also wanted to repeat what he had said in Geneva the week before. The U.S. was not opposed to a limit on SLCM's. We had examined the proposals made by the Soviet side on verification of a limit, but did not feel confident it was possible to verify a number. Moreover, the Soviet suggestions would be extremely intrusive with respect to the operations of naval units. Our Navy had approached the whole issue of SLCM's with a great sense of commitment, but, at least for the moment, we had not found the answer.

As for mobile ICBM's, we saw the advantages inherent in mobile systems in terms of survivability, and had worked hard to find a means of dealing with the problem. We were prepared to talk about accountability of mobiles by such means as: confining them to restricted areas; periodic OSI and enhanced NTM; limitations on departures from restricted areas for day-to-day operations. Some means of providing for dispersal could be permitted, and specific approaches would vary with the type of permitted mobile system.

Non-deployed mobile missiles were more of a problem. We were glad to have the 1,600 warhead figure, although it sounded high at first blush.

The Secretary noted that Shevardnadze had not mentioned the ICBM sub-limit, which the U.S. had at one point thought was settled. We still believed the 3,300 figure we had proposed was a good one.

On suspect site inspections, the Secretary noted that the President and Gorbachev had agreed in Washington on "the right to implement, in accordance with agreed-upon procedures, short-notice inspections at locations where either side considers covert deployment, production, storage or repair of strategic offensive arms could be occurring." How to implement that commitment was a problem. The U.S. was close to being in a position to make concrete proposals in this area. One might, for example, think in terms of an annual quota and certain types of locations. Our focus was ballistic missiles, as we saw no need for suspect site inspections of heavy bombers of ALCM's. One set of facilities and sites which the U.S. would consider making subject to such a regime would be those associated with ballistic missiles, but which were not listed in the Data MOU and therefore would not otherwise be subject to inspection. Another set of facilities and sites that could be subject to suspect site inspections might be those which are identified by some agreed objective criteria observable by NTM. As for the Data MOU itself, we expected by the time of the next ministerial to have put some numbers on the table.

The Secretary concluded by observing that work was proceeding in all these areas. At the same time, they were very difficult. But both sides had made proposals, and there could be more on the table in a week or two. He asked Powell if he had anything to add.

POWELL observed that we continued to raise conventional SLCM's to emphasize that such systems were not constrained by a START agreement. As for ALCM's, he emphasized that our figure of 10 was already a concession to Soviet concerns, and that it corresponded to what the Air Force in fact intended to use on its bombers. The Reykjavik bomber rule had been based on the same philosophical approach. We thus had difficulty understanding the basis of the Soviet objection, and had hoped this might be an area of progress at the present meeting. Powell emphasized that he felt the need of a better understanding of the Soviet position.

SHEVARDNADZE said he wanted first to clarify the Soviet position on LCM's. It had been agreed in Reykjavik that SLCM's would not count against the 6,000 limit.

As to Powell's query, the basis of Soviet objections to the U.S. ALCM counting rule was elementary -- U.S. bombers were capable of carrying many, many more ALCM's than the U.S. sought to credit them with. American B-52's and B-1b's carried, respectively, 28 and 22 ALCM's. The Soviets could not settle for less.

POWELL protested that there were no plans to equip those types of bombers to carry the numbers of ALCM's Shevardnadze had cited. To use those figures would be to overcount U.S. capabilities. KAPROV noted that U.S. aircraft were already being equipped to carry 12 ALCM's. SHEVARDNADZE asked Powell why the U.S. opposed on-site inspection of bombers and SLCM's.

POWELL indicated that the U.S. had no objections to inspections of bombers which did not carry nuclear ALCM's. THE SECRETARY noted that there were three categories of heavy bombers which needed to be distinguished. If there were agreement on a discounting rule for nuclear ALCM equipped heavy bombers, there would be no need to inspect them. For the remainder -- bombers carrying no ALCM's and bombers equipped with non-nuclear ALCM's, we could see the case for on-site inspections.

The underlying rationale for the U.S. position, the Secretary explained, was that ballistic missiles were the most potent weapon in each side's arsenal. They were fast, accurate, hard to defend against and non-retrievable. Anything that flies, on the other hand, is slower, can be recalled, and has difficulty penetrating air defenses. This had been recognized at Reykjavik in the bomber counting rule. Cruise missiles were not as potent as ballistic missiles, but we were

nonetheless willing to count them as the equivalent of 10 gravity bomb-equipped bombers. As the Air Force didn't care to put all its eggs in one basket, they would not use maximum loads on nuclear ALCM equipped bombers. All of these considerations pointed to the need for a discounting rule.

The Secretary emphasized that, as total numbers of nuclear forces were reduced under a START agreement, neither side could expect to impose its traditional strategic force structure on the other. That was why measures were needed to enable the two sides to compare the various "apples, oranges and pears" involved. We had earlier said that 6 was a good number for purposes of discounting nuclear ALCM equipped bombers. The Soviet side had said that was too low a figure, so we had raised it to 10 -- i.e., ten times the value of a bomber with gravity bombs. We had also bought into the idea of OSI for heavy bombers not equipped with nuclear ALCM's. Thus, the U.S. proposal was a comprehensive one in this, as in other areas. And we might soon be in a position to share additional ideas in some of these areas.

As for SLCM's, the Secretary repeated that our digestive process was underway, but would not be complete in the next few months. That was why he had commended once again to Shevardnadze the concept of unilateral statements.

SHEVARDNADZE asked again what was wrong with the Soviet proposal to determine the capacities of specific types of bombers by on-site inspection.

THE SECRETARY repeated that the U.S. was not opposed to inspecting those types of bombers about which questions might arise -- i.e., bombers which had been declared not to be equipped with nuclear ALCM's. For those which had been designated as nuclear ALCM carriers, national technical means would be sufficient to ensure compliance if there were agreement on a discounting rule. If the U.S. were to equip such aircraft with conventional weapons or non-nuclear cruise missiles, that would be our problem. So we were for OSI of bombers where there was something to inspect.

KARPOV asked a series of questions relating to the technical capabilities of the B-52H equipped with rotary ALCM dispensers, and how they would be counted under the U.S. proposal. THE SECRETARY and POWELL explained that, should that type of bomber be designated as a nuclear ALCM-carrier, it would count as 10 warheads, regardless of its actual load. KARPOV asked why it was fair in that case to count Soviet bombers which could carry less than 10 ALCM's as carrying 10.

THE SECRETARY indicated that the issue was really whether one wanted to count every weapon or agree on a discounting rule. If the basic U.S. approach were accepted, one could agree on a specific number and means of ensuring it was the right one. If one did not accept the concept that cruise missiles should be discounted, the task was far more difficult. But, the Secretary recalled, as similar approach had been accepted by both sides for gravity bombs at Reykjavik.

In response to Karpov's attempts to question the validity of discounting cruise missiles relative to ballistic missiles, the SECRETARY emphasized the vulnerability of cruise missiles en route to their targets. He noted that the two sides had agreed to assign to each MX or SS-18 missile 10 warheads. We were saying that this was equivalent to a single bomber with 10 ALCM's. Seen in those terms, our approach was a generous one.

SHEVARDNADZE said he thought the discussion had made some things clearer. The experts could pursue the matter further. It appeared that, on the question of inspecting bombers, at least, there was no disagreement. THE SECRETARY said that this was true if agreement were reached on a discounting rule for nuclear armed ALCM's. In the future, he added, nuclear and conventionally armed ALCM's might well have functionally related external differences. At this point, of course, they did not. SHEVARDNADZE suggested moving on to a new issue.

Returning to the question of mobile ICBM's, THE SECRETARY repeated that the U.S. was not opposed in principle to such systems. He felt that headway was being made on verification, especially with regard to deployed mobile missiles. We were still studying the problem of non-deployed mobiles. SHEVARDNADZE said that the Soviet proposal dealt with that problem. THE SECRETARY acknowledged that Soviet proposals had given us greater confidence that deployed mobile missiles could be verified; we were less certain about non-deployed systems.

Moving on to ICBM sublimits, the Secretary reaffirmed the U.S. understanding that the Soviet side would drop its insistence on a ALCM/heavy bomber sublimit if agreement could be reached on a discounting rule. SHEVARDNADZE said that the sublimit demand would be removed if the U.S. accepted the Soviet approach to counting heavy bombers equipped with ALCM's.

THE SECRETARY said the U.S. still believed a ceiling of 3,300 on ground based ICBM's was desirable, for reasons we had explained often in the past. Particularly in light of Marshal Akhromeyev's statement in Washington that the Soviet side did not intend to exceed this limit, we had thought the issue was resolved. The Secretary therefore had wanted to reaffirm the U.S. position.

He also wanted to underscore the importance of dealing with suspect sites -- an issue both sides were struggling with. We hoped to be able to present some specific ideas in a week or two, either at the Geneva NST talks or when the ministers next met.

SHEVARDNADZE recalled that the Soviets had accepted the concept of a 3,300 sublimit for either ICBM's or SLBM's within a 4,900 ballistic sublimit. It was his understanding that the U.S. did not accept this approach.

THE SECRETARY confirmed this. SHEVARDNADZE asked if the same went for the Soviet alternative proposal that there should be freedom to mix between SLBM's and ICBM's within the 4,900 sublimit. THE SECRETARY said that the 3,300 sublimit for ICBM's was desirable because of the unique characteristics of those weapons. SHEVARDNADZE asked if the U.S. could accept any sublimit on SLBM's. THE SECRETARY said, "No." SHEVARDNADZE said it sounded like a job for experts. THE SECRETARY said the experts said the reverse. It was up to the ministers to work out the conceptual differences; experts could go to work on details.

SHEVARDNADZE suggested a brief look at verification. He noted that the reason the Soviet side had sought to focus on all the remaining substantive issues was that there was a relationship between data exchange and the resolution of questions such as SLCM's and ALCM's. Data exchange could hardly take place until these issues had been settled. The Secretary had said the U.S. was ready to begin providing data. The Soviets had their own data filed away in a safe place, but until the SLCM and ALCM issues had been resolved, they could not provide it.

THE SECRETARY suggested that perhaps some headway had been made on ALCM's. On SLCM's, the U.S. was prepared to adopt a declaratory policy; that, at least, would provide a number. "All right," SHEVARDNADZE responded, "Let's wait."

Nuclear Testing

Noting that there had already been some discussion of nuclear testing, Shevardnadze said that there was now greater clarity on the issue of the JVE. The working group was addressing details and could report the next day. THE SECRETARY said he expected a good report, especially if the Minister had instructed his representative to show the necessary flexibility on the question of the Peaceful Nuclear Explosions Treaty protocol. It would be good to button up that issue. SHEVARDNADZE said the effort should be made. If agreement on the JVE had been reached earlier, he added, things might be different.

Chemical Weapons

Moving on to chemical weapons, Shevardnadze noted that the Soviet side had tabled a draft summit statement on the subject.

THE SECRETARY agreed that the summit outcome should include some mention of chemical weapons, and ideally something beyond what had been said in Washington. The U.S. believed a number of things could be said. First, we had seen increasing use of CW in the Iran-Iraq war, a development which underscored the dangers of CW proliferation. Technical measures such as export controls might make it more difficult for states to acquire CW, but not impossible. They would not deter use. The Secretary nonetheless felt it was important to step up direct political pressure against users and would be possessors, e.g. by taking measures against the shipment of precursors. The U.S. had been encouraged by recent Soviet public steps in this direction, such as support for UN investigations and condemnation of specific cases of use. Bilateral consultations on proliferation had been useful, and another might be scheduled for the fall. On the multilateral front, the U.S. agreed on the need for a truly global, verifiable ban. It was now time to explore concrete aspects of the convention: the Soviet proposal for an experiment to "test out" inspection procedures was a step in the right direction. We wanted to look further at the idea, and would endorse Soviet invitations to other states to participate.

The Secretary reiterated that these ideas should be reflected in some way at the summit. Working groups were engaged on the problem, and would be heard from the next day. But we remained concerned by the verification difficulties posed by a ban, and by the difficulty of ensuring that the largest possible number of countries adhered to a convention.

SHEVARDNADZE indicated that Moscow still considered the question of concluding a CW convention to be a promising area, and said he was prepared to elaborate on ideas previously advanced in the Geneva negotiations. On the question of ensuring the security of states-parties to the convention, there was a certain convergence in the positions of the U.S. and Soviet Union with respect to procedures for the elimination and destruction of stockpiles. But differences remained over how to "even out" stocks by a given date. The Soviet side had previously suggested that this process be undertaken on a Warsaw Pact - NATO basis; the U.S. had favored a U.S. - Soviet Union basis. The Soviet side was now prepared to accept the U.S. approach.

Moscow could also accept, Shevardnadze continued, the U.S. proposal for a conference among states-parties to the convention during the eighth year of the reduction process.

Finally, the Soviet side would be prepared to join the U.S. in a joint statement of support for the concept of mandatory challenge inspections of all facilities, whether state or private, if the U.S. were prepared to endorse such an approach.

THE SECRETARY noted that ownership was not the issue. There were installations, e.g. national command centers, that needed to be protected from inspections which had nothing to do with CW. We nonetheless understood the Soviet side's concern over the distinction between state and private facilities.

SHEVARDNADZE replied that it should be possible to reach agreement in principle on this issue, and subsequently develop a workable approach. The most important thing was to record agreement on the principle.

With respect to inspections, the Soviet side was prepared in the interest of enhancing prospects for work on a joint summit statement to raise the annual quota it would accept for _____ (?) _____ inspections from 3 to 5, close to the U.S. position of 7. On challenge inspections, Moscow could not accept 10 per year. Shevardnadze said that these moves, along with those he had mentioned earlier, should go far toward opening the way for intensified work on a CW convention. He hoped that U.S. experts could be instructed to engage on that basis, so that the President and General Secretary could make a positive contribution in Moscow to the completion of a convention.

As for CW proliferation, Shevardnadze agreed that the issue was an important one. Moscow was prepared to make a statement with respect to non-transfer to third countries. Others might follow the example of a joint U.S. - Soviet statement on the subject.

THE SECRETARY said that Shevardnadze had said some interesting things. We would consider them to see if they might allow the two sides to express themselves more powerfully at the summit.

Conventional Arms

1;HEVARDNADZE asked what about conventional arms.

THE SECRETARY replied that the situation was clear enough: the key was to solve the human rights problem in Vienna. If Shevardnadze had something specific to say on conventional forces, perhaps Powell could comment.

SHEVARDNADZE said that the two sides had had some useful exchanges on the subject at all levels, including in Vienna. The principal concern at this time was to gain a clearer understanding of the subject matter of future negotiations. Various formulas had been explored to deal with the problem of dual capable weapons, and some progress seemed to have been made. While Shevardnadze did not want to get into a detailed discussion, he did want to emphasize that this was the main issue still to be resolved at the Vienna CSCE Follow-up meeting. As he had said earlier in the day, the humanitarian and economic issues in Vienna were resolvable, since "we have some things up our sleeve." But the main thing was that it would be well to make a strong statement on conventional forces at the summit.

THE SECRETARY, noting in passing that he would not comment in detail on what was essentially an allies to allies matter, asked Powell for his reactions.

POWELL said he did not have much to say. There was a problem with dual-capable systems, and working groups were engaged on it. He had nothing to add to that discussion at this time.

SHEVARDNADZE said he understood. For their part, the Soviets had no problem with their allies, as they had already fully consulted with them on this point. It would be good to have a statement on conventional arms negotiations at the summit.

THE SECRETARY said he agreed, adding that that was why we attached such importance to a good, balanced result in Vienna. That could be hailed at the summit.

SHEVARDNADZE said he had one more question to raise -- the Soviet proposal for an exchange of data on military forces located in the area from the Atlantic to the Urals. The West constantly reproached the Soviet Union and its allies over the need to take steps to reduce imbalances. Moscow had now proposed a means of getting to the bottom of the data question. The Warsaw Pact foreign ministers had applauded the initiative. What problem did the West have with it?

THE SECRETARY said Moscow could publish its data whenever it wanted. There was nothing to prevent it from doing so. SHEVARDNADZE protested that this should be done on a mutual basis.

THE SECRETARY reminded Shevardnadze that the two sides had spent fifteen years wrangling over data at the MBFR talks. So the field was not very promising. When the conventional arms talks got underway, data was a subject which would have to be treated. But we did not want to put the cart before the horse. The first priority should be to get the mandate completed. Then we could see whether it would be useful to start on data.

SHEVARDNADZE answered that in that case the West should stop talking about imbalances in the Soviet favor. Moscow was prepared to make public all relevant data, not only on its forces, but on those of other countries. The U.S. could do the same. THE SECRETARY said this would be welcome once talks got underway. SHEVARDNADZE suggested that the two sides work on language. Perhaps the issue could be decided the next day. If not, Shevardnadze would not argue the matter further. Perhaps Powell was afraid Moscow would reveal the size of his former Corps.

POWELL said that information was already a matter of public record. The same could not be said for the Group of Soviet Forces in Germany.

SHEVARDNADZE said there was also the related question of discussions to limit naval activities. This was an important question, as new naval armaments were in the process of being developed every day. A new arms race threatened. Shevardnadze would be frank: the Soviet Union would be raising this issue at the forthcoming UN SSOD. Sooner or later it would have to be addressed.

THE SECRETARY pointed out that U.S. and Soviet defense requirements and alliance commitments were different. The Soviet Union covered a sixth of the globe, providing access to a wide range of theatres. The U.S. faced a completely different situation. SHEVARDNADZE said that was why a discussion would be useful. The U.S. had an advantage in ships; this had to be taken into account in discussing "imbalances" in the conventional field. THE SECRETARY disagreed, reiterating that the two sides defense needs were different and should be considered differently. SHEVARDNADZE replied that the problem was that the U.S. had an advantage in naval forces. If it were not deal with, Moscow would have to catch up. This would mean a new arms race. He reiterated that this was an issue which would have to be discussed.

"Direct Flights"

THE SECRETARY said he wished to raise two totally unrelated issues.

The first had to do with Jewish emigration. The Secretary wanted to be sure that the Soviet Union clearly understood that the U.S. strongly believed in the principle of freedom of choice with respect to the destination of emigrants from the Soviet Union. If a person emigrates and a country is willing to accept him, it was our view that he ought to be allowed to go there if he wished. We did not believe a person should be told he had to go to a certain country.

The situation was complicated with respect to Israel, because many Jews saw Israel as a kind of homeland. We understood that. We were aware, however, that there had been some discussion of direct flights to Israel for Soviet Jews. The U.S. was neither for nor against such an arrangement. We were for freedom of choice, and felt it was not proper for people to be constrained to go to a given country. Freedom of choice was the fundamental principle for us. We wanted to make that clear in case there was any ambiguity on the Soviets' part. The Secretary was not seeking any particular comment from Shevardnadze. But he wanted to be sure the U.S. position was understood in the event anyone tried to portray it in a different light.

SHEVARDNADZE replied that the Soviet Union wanted to create normal conditions for persons who sought to emigrate from the Soviet Union. But as cases differed, it was important to speak in terms of specifics.

BESSMERTNYKH suggested that the Secretary had given an authoritative statement of the U.S. position on the issue he had raised to distinguish it from how other sources might characterize the U.S. position.

THE SECRETARY said that this was exactly right. We were for freedom of choice. We were not opposed to efforts to facilitate emigration, so long as the persons involved were not constrained as to their destination.

The Secretary said that the second issue he wanted to raise was the Krasnoyarsk radar. In February, Shevardnadze had indicated that, in the event a satisfactory solution were found to the problem of the ABM Treaty, the radar would be destroyed. The Secretary had noted positively that statement. The two sides were now working on what both hoped would be a satisfactory outcome on the ABM Treaty. But there was another issue to consider -- the October deadline for conducting the ABM Treaty review. The Secretary urged that something be done with the radar by that time so that the issue of a material breach of the Treaty did not arise in connection with the review. This would be to neither side's advantage. The Secretary wanted to flag the problem, so that it could be avoided. The ideal solution would be the variant Shevardnadze had suggested -- a satisfactory outcome on the ABM Treaty; and the Soviet side's proceeding as Shevardnadze had outline in February.

SHEVARDNADZE said that the Soviet position on the Krasnoyarsk radar was irreproachable. He said that there were "other considerations" which he had mentioned in February. There were "other radars." He did not, however, want to get into all of this now. Shevardnadze said he did not understand the significance of the Secretary's reference to October.

After Karpov had explained, THE SECRETARY noted that the review requirement was an action-forcing event.

Central America

Acknowledging that it was late, SHEVARDNADZE said he wished to say "two words" about Central America, and perhaps a few other regional issues.

There were some positive trends in the region: the Guatemala City agreement; the start of negotiations in Nicaragua. Gorbachev had made a proposal at the Washington summit that the U.S. and Soviet Union should both refrain from

supplying military equipment to countries in the region. There had been no proper reaction from the U.S. Perhaps it would be possible to declare a moratorium on arms deliveries to help promote national reconciliation. This could be a significant step.

THE SECRETARY offered to recapitulate the U.S. view. There had been some positive developments in the region. We supported the Guatemala City accords and the Sapo (?) agreement. Sandinist reluctance to meet their obligations had made it difficult to take these positive steps. Our own supply of assistance to the Nicaraguan freedom fighters had now ended. The arms which the Soviet Union continued to supply to Managua were thus increasingly incompatible with local trends. The supply of those arms should stop.

SHEVARNADZE suggested the U.S. and Soviet Union agree to suspend shipments on a mutual basis.

THE SECRETARY observed that the U.S. supplied military assistance to Honduras and El Salvador to enable them to cope with internal problems fomented from Cuba, which also received enormous Soviet weapons deliveries. It was clear that Soviet military assistance to the region was a major problem. Our supplies were far less significant in terms of volume, and did not contribute to turmoil. To the extent Moscow was watching to be sure we were no longer supplying arms to the freedom fighters, that condition was now fulfilled -- albeit not because that was the President's preference. It would be a positive step if the Soviet Union noted that our supplies had come to a halt, and announced that Moscow was therefore suspending its own arms supplies to the region.

SHEVARNADZE termed this an unfair and lop-sided approach. What he had proposed was a businesslike, serious discussion. If the U.S. was prepared for such a dialogue, experts could be instructed to undertake it. But no unilateral Soviet concessions were in the cards. The U.S. supplied arms to Soviet neighbors, e.g., Turkey. Shevardnadze said he did not want to get into a debate, but he had proposed a constructive discussion. The situation in Central America was explosive, as the U.S. had recently had occasion to observe first hand in Honduras and Panama. Moscow had not reacted to events there; it had kept silent. But that did not mean it did not have opinions.

THE SECRETARY said that Panama was another problem altogether -- the problem of what happens to a small country confronted by the enormous profits of illegal drug trafficking.

Nicaragua, on the other hand, seemed determined to build armed forces far out of scale of those of its neighbors. It received its arms from the Soviet Union. This was very disruptive. If the process continued, at some point it would not be tolerated by the United States. There was now an opportunity to gain the fruits Shevardnadze had mentioned. The Soviet Union could make a statement reflecting the present discussion, conditioned, if necessary, on U.S. restraint in Nicaragua. Such a statement would be welcomed and would redound to Soviet benefit in the region. The Secretary knew that Costa Rican President Arias had appealed to the Soviet Union to halt its arms shipments.

SHEVARDNADZE said that what he was proposing was a reciprocal arrangement. THE SECRETARY said it would be reciprocal as far as Nicaragua was concerned. There was nothing comparable to Soviet military support for Cuba, which amounted to \$5 billion per year.

SHEVARDNADZE asked what about U.S. bases in Turkey, Greece and South Korea. These countries were on Soviet borders. He had made a serious proposal which he had hoped could serve as the basis for a serious discussion.

Switching gears, Shevardnadze said that it might be useful to cover certain other regional issues briefly so that the ministers could say they had done so. Shevardnadze had in mind Southern Africa, the Horn of Africa, Asia and the Pacific -- including Kampuchea and Korea -- and Cyprus.

THE SECRETARY said he saw little reason to discuss Cyprus. Perhaps working groups could get into the other areas. We had seen some progress on Southern Africa since our last discussion. The Secretary felt that momentum was building in our regional discussions; we should seek to maintain it.

SHEVARDNADZE agreed that there were prospects with respect to Southern Africa, and to Kampuchea as well. He also believed something useful could be done on Korea. If the Secretary did not want to talk about Cyprus, that was alright.

THE SECRETARY said that the most important thing happening with respect to Cyprus was the evolving relationship between the leaders of Greece and Turkey. It was for them, not the U.S. and Soviet Union, to decide how best to deal with the Cyprus problem. In the meantime, the UN had the lead.

SHEVARDNADZE noted that they had discussed Cyprus after all. For his part, Shevardnadze felt that the emergence of a new leader in Nicosia was a positive development. The U.S. and Soviet Union should do everything in their power to encourage a positive evolution of the situation. Shevardnadze knew that the two sides could not solve all the islands' problems. But if the Cypriots were to ask him, he would say he had discussed

Cyprus in general terms with the Secretary.

THE SECRETARY said he would that the discussion of Cyprus had been inconsequential.

The meeting concluded with the two ministers' agreeing they would resume at 9:00 the next morning.