ONF. I DENTIAL FM UKMIS NEW YORK TO DESKBY 231700Z FCO TELNO 890 OF 231620Z SEPTEMBER 1986 INFO IMMEDIATE WASHINGTON, MOSCOW, PARIS, BONN, UKDEL NATO INFO ROUTINE OTHER NATO POSTS FROM PRIVATE SECRETARY PRESIDENT REAGAN'S BRIEFING OF NATO MINISTERS INTRODUCTION. 1. PRESIDENT REAGAN AND SHULTZ BRIEFED MINISTERS OF NATO COUNTRIES, PLUS AUSTRAILIA, JAPAN AND CARRINGTON, FOR AN HOUR ON 22 SEPT. NORWAY WAS REPRESENTED BY THEIR STATE SECRETARY, TURKEY BY THEIR

PERMANENT REPRESENTATIVE. NO OFF-IGALS WERE PRESENT. THIS ACCOUNT IS BASED ON THE SECRETARY OF STATE'S OWN NOTES.

2. REAGAN BEGAN BY DESCRIBING THE MEETING AS A KEY COMPONENT IN ALLIANCE UNITY, AS WELL AS A DEMONSTRATION OF THAT UNITY. HE THEN ASKED SHULTZ TO BRIEF 'IN DETAIL ON THE TALKS WITH SHEVARDNADZE.

3. SHULTZ SAID THAT THE MEETINGS WITH SHEVARDNADZE HAD LASTED 14 HOURS. THE KEY HAD BEEN TO STRESS THE IMPORTANCE OF THE DANILOFF CASE AND OF HUMAN RIGHTS. THE ONE HOUR WITH THE PRESIDENT HAD BEEN DEVOTED TO DANILOFF: THIS HAD SOME IMPACT ON SHEVARDNADZE, BECAUSE AT THE START OF THE NEXT SESSION HE HAD SAID QUOTE HE (REAGAN) IS VERY WORKED UP, ISN'T HE? UNQUOTE TO WHICH SHULTZ HAD REPLIED QUOTE YES, AND NOT JUST HIM UNQUOTE. THE AMERICANS HAD HAD THREE OBJECTIVES:

(1) TO STRESS THAT DANILOFF POINT:

(2) TO EMPHASISE THE IMPORTANCE OF PROGRESS ON THE GENEVA AGENDA, AND AMERICAN COMMITMENT TO SECURING SUCH PROGRESS:

(3) TO REVIEW IN DETAIL ALL THE OTHER ISSUES. THE AMERICANS HAD ALSO LEFT. SHEVARDNADZE IN NO DOUBT ABOUT THE IMPORTANCE OF HUMAN RIGHTS, INCLUDING JEWISH IMMIGRATION FROM THE USSR. PUT MOST OF THE TIME IN PLENARY HAD BEEN SPENT ON ARMS CONTROL. SHULTZ DESCRIBED SHEVARDNADZE AS A STRAIGHTFORWARD, EFFECTIVE INTERLOCUTOR: AUTHORITATIVE: AND INCREASINGLY AT EASE WITH THE AGENDA.

4. ARMS CONTROL.

THE AMERICANS DETECTED SOME SHIFTS IN THE SOVIET POSITION, AS FOLLOWS:

(1) ON ABM, SHEVARDNADZE SPOKE FOR THE FIRST TIME OF QUOTE UP TO UNQUOTE 15 YEARS, WHICH SHULTZ TOOK TO INDICATE SOME WILLINGNESS TO TALK OF FIGURES LOWER THAN 15:

(2) ON INF, SHEVARDNADZE SAID QUOTE SOMETHING MIGHT BE WORKED OUT UNQUOTE, WHICH AGAIN SEEMED TO SIGNIFY POSSIBLE MOVEMENT. THE

RUSSHANS ALSO HADICATED SOME FLEXIBILITY ON THE DURATION OF AN HAF
DEAL (WITHOUT GOING HATO ANY DETAIL).

(3) SHORT-RANGE NUCLEAR FORCES. THE AMERICANS PUT THE HIDEA OF A

(3) SHORT-RANGE NUCLEAR FORCES. THE AMERICANS PUT THE IDEA OF A FREEZE, WITHOUT ELICITING ANY REAL RESPONSE. SHULTZ COMMENTED THAT THE IMPORTANCE OF THIS ISSUE WAS RECOGNISED BY THE US.

TALKING MORE ABOUT WARHEADS AND UNDERSTOOD THE IMPORTANCE OF ICBMS. BUT THEY DID NOT YET SEEM READY TO MAKE A DECISIVE MOVE. THE AMERICANS TRIED TO ADDRESS SOVIET CONCERN ABOUT THE QUOTE FIRST STRIKE POTENTIAL OF SDI UNQUOTE BY STRESSING THE READY TO ELIMINATE ICBMS ALTOGETHER.

(5) TESTING. THE AMERICANS MADE PLAIN THE CLARITY AND IMPORTANCE OF THE APPROACH DESCRIBED IN REAGAN'S SPEECH. THE RUSSIANS RETURNED TO THEIR EMPHATIC SEARCH FOR AN EXTENDED MORATORIUM.

(6) NUCLEAR RISK REDUCTION CENTRES. THERE WAS AGREEMENT TO BEGIN DETAILED DISCUSSION OF THIS.

(7) CDE. SHULTZ CONCLUDED THAT ALTHOUGH THE WEST HAD NOT GOT ALL IT WANTED, A GOOD DEAL HAD PEEN ACHIEVED.

(8) CHEMICAL WEAPONS. THE RUSSIANS SEEMED TO HAVE MOVED A BIT ON CHALLENGE INSPECTION, AND THERE WAS A QUOTE SOMEWHAT KIND UNQUOTE REFERENCE BY SHEVARDNADZE TO THE BRITISH PROPOSAL. THERE MIGHT BE SOME SCOPE FOR PROGRESS, BUT THE AMERICANS HAD NOT SUCCEEDED IN DRAWING SHEVARDNADZE OUT.

(9) MBFR. SHULTZ PRESSED SHEVARDNADZE ON THE RUSSIAN FAILURE TO RESPOND TO THE US MOVE, AND ON THE DIFFICULTIES THEY HAD MADE OVER VERIFICATION. SHEVARDNADZE HAD IN MIND THREE POSSIBILITIES FOR THE NEXT STAGE: A SECOND CDE, AN EXTENDED MBFR, AND A TOTALLY NEW FORUM. THE AMERICANS HAD EXPRESSED NO CHOICE, BUT SAW THE KEY OBJECTIVE (WHICH SHULTZ SAID SHOULD BE DISCUSSED FURTHER IN THE ALLIANCE) AS BEING DIPECT NEGOTIATION BETWEEN THE TWO ALLIANCES (IE EXCLUDING THE NEUTRALS). IN THIS CONTEXT THE HALIFAX WORK HAD BEEN AND WOULD CONTINUE TO BE USEFUL. HE DID NOT THINK WE WOULD BE WISE TO LET THE SCVIET UNION WIND UP MBFR.

5. TERPORISM.

THERE WAS SLIGHTLY MORE INTEREST IN THIS THAN BEFORE ON THE SOVIET SIDE, BUT SHEVARDNADZE WAS VERY DISMISSIVE OF THE LIBYAN ROLE, SPEAKING OF QUOTE US FANTASIES UNQUOTE. IN REPLY SHULTZ GAVE

5. TERRORISM.

THERE WAS SLIGHTLY MORE INTEREST IN THIS THAN BEFORE ON THE SOVIET SIDE, BUT SHEVARDNADZE WAS VERY DISMISSIVE OF THE LIBYAN ROLE, SPEAKING OF QUOTE US FANTASIES UNQUOTE. IN REPLY SHULTZ GAVE DETAILED AMERICAN EVIDENCE ABOUT LIBYAN INVOLVEMENT, AND SUGGESTED THAT SHEVARDNADZE SHOULD ASK OTHER WESTERN MINISTERS FOR THEIR EVIDENCE. SHEVARDNADZE MIGHT ALSO ASK WHY THE EUROPEANS HAD EXPELLED MEMBERS OF THE LIBYAN PEOPLES BUREAUX. THE SIGNS OF INTEREST ON THE SOVIET SIDE RELATED PARTICULARLY TO HIJACKING.

## 6. IRAN/:IRAQ.

SHULTZ SAID THAT THE RUSSIANS WERE GOING TO MAKE A STATEMENT, PERHAPS IN SHEVARDNADZE'S SPEECH TO UNGA ON 23 SEPTEMBER. THE WEST SHOULD CONSIDER ITS RESPONSE.

## 7. SUMMIT.

SHULTZ SAID THAT IT WAS STILL DIFFICULT TO GET ON TO DISCUSSION OF SPECIFIC DATES FOR A SUMMIT. IT WAS UNREALISTIC TO EXPECT THIS AS LONG AS THE DANILOFF CASE WAS NOT RESOLVED. THE AMERICANS WERE READY FOR FURTHER MEETINGS, BUT THE BALL WAS IN THE SOVIET COURT.

8. SHULTZ CONCLUDED THAT THERE HAD BEEN SOME MOVEMENT IN THE SOVIET.
POSITION, OPPORTUNITIES EXISTED, BUT A QUOTE GREAT CLOUD STILL
STOOD IN THE WAY UNQUOTE.

## 9. DISCUSSION.

GENSCHER EXPRESSED THANKS FOR THIS PROMPT ACCOUNT OF THE SHEVARDNADZE VISIT. HE POINTED TO THE BENEFITS OF ALLMANCE SOLIDARITY AT HALMFAX AND AT CDE. WAS HE RIGHT TO CONCLUDE THAT THE RUSSIANS WERE NOW HOPEFUL OF RAPPROCHEMENT WITH THE US ON INF? SHULTZ REPLIED THAT IT WAS DIFFICULT TO BE CLEAR HOW MUCH PROGRESS HAD BEEN MADE ON THE. BUT SOME NECESSARY TIEMS, INCLUDING MISSILES IN ASIA, HAD BEEN ADMITTED TO THE AGENDA (PPESIDENT REAGAN THEN EXPLAINED WHY HE THOUGHT THIS ASIA POINT TIMPORTANT). AND THE TWO RECENT EXPERT MEETINGS SHOWED GREATER SOVIET WILLINGNESS TO MAKE BRISK PROGRESS.

AMERICANS HAD STRESSED THE NEED FOR A MINIMUM FREEZE ON SHORTRANGE WEAPONS. AS FOR THE FUTURE OF MBFR, THE RUSSIANS WOULD
LIKE TO WIND IT UP BUT THE AMERICANS HAD NOT ACCEPTED THAT.
INSTEAD THE AMERICANS HAD STRESSED THE NEED FOR A SOVIET RESPONSE
TO THE WEST'S LATEST OFFER. RAHMOND COMMENTED THAT CARE WAS NEEDED
ABOUT THE FORUM FOR CONVENTIONAL ARMS CONTROL: THERE WAS
ADVANTAGE IN HAVING IT TIED TO CSCE AND INVOLVING THE NEUTPALS.

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11. CONCLUSION.

FENALLY, REAGAN UNDERLINED AGAIN THE IMPORTANCE OF THE DANILOFF CASE. THE SECRETARY OF STATE SAID THAT ALL PRESENT FULLY UNDERSTOOD THE AMERICAN POSITION. HE ADMIRED AND RESPECTED US TENACITY ON THE MAIN OBJECTIVES AND THEIR SKILL IN KEEPING THE TWO ISSUES DISTINCT. SHULTZ COMMENTED THAT THE ALLIES SHOULD NOT HESITATE TO CONDEMN SOVIET BEHAVIOUR OVER DANILOFF. (IN THE LIGHT OF THIS, A SENTENCE ABOUT DANILOFF HAS BEEN INSERTED INTO THE PRESIDENCY SPEECH FOR DELIVERY ON 23 SEPTEMBER.)

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