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FM WASHINGTON

TO DESKBY 270800Z LUXEMBOURG (FOR SECRETARY OF STATE'S PARTY)
TELNO 1

OF 261800Z OCTOBER 85

INFO PRIORITY FCO, UKDEL NATO, MOSCOW, MOD(UK)
INFO ROUTINE BONN, PARIS, ROME, UKDIS GENEVA (IN NEW YORK),
UKDEL VIENNA, UKDEL STOCKHOLM
SAVING OTHER NATO POSTS, OTHER EAST EUROPEAN POSTS, TOKYO,
CANBERRA, WELLINGTON UKMIS NEW YORK

US/SOVIET MEETINGS IN NEW YORK

1. PALMER (EUR/STATE) BRIEFED NATO MISSIONS (PLUS JAPAN AND AUSTRALIA, BUT NOT NEW ZEALAND) ON 26 OCTOBER ON SHEVARDNADZE'S MEETINGS WITH THE PRESIDENT ON 24 OCTOBER AND WITH SHULTZ ON 25 OCTOBER. THE FORMER HAD LASTED SOME 45 MINUTES, INCLUDING A 15 MINUTE TETE A TETE, THE LATTER FOR SOME 2 HOURS, INCLUDING A ONE HOUR PRESENTATION BY SHEVARDNADZE ON ARMS CONTROL.
2. THE PRESIDENT HAD BEEN CONCERNED TO EMPHASISE TO SHEVARDNADZE THE IMPORTANCE HE ATTACHED TO THE FORTHCOMING GENEVA MEETING WITH GORBACHEV, AND THE SERIOUSNESS OF THE US APPROACH. HE HAD EXPLAINED THE QUOTE REGIONAL FRAMEWORK UNQUOTE IDEA IN HIS UNGA SPEECH (OF WHICH THE RUSSIANS HAD HAD EARLIER ADVANCE WARNING QUOTE AT THE HIGHEST LEVEL UNQUOTE), HAD STRESSED THE NEED FOR GREATER SOVIET FLEXIBILITY ON BILATERAL AND HUMAN RIGHTS ISSUES, AND HAD CONFIRMED THAT THE US WERE STUDYING THE SOVIET ARMS CONTROL COUNTER-PROPOSALS, AND QUOTE WOULD BE RESPONDING IN DUE COURSE UNQUOTE. SHEVARDNADZE HAD STRESSED THAT PRE-SUMMIT TIME WAS RUNNING OUT, AND THAT THE BALL ON THE KEY ARMS CONTROL ISSUES WAS IN THE US COURT. THE MAIN ACHIEVEMENT OF THE MEETING WAS AGREEMENT ON SHULTZ'S VISIT TO MOSCOW FOR TALKS ON 4 AND 5 NOVEMBER, WHICH WOULD BE PRIMARILY WITH SHEVARDNADZE, BUT WOULD ALSO INVOLVE GORBACHEV (SHULTZ WILL TRAVEL TO MOSCOW ON 2 NOVEMBER; DEBRIEFING ON THE TALKS WILL BE DONE BY US POSTS IN CAPITALS ON 6 NOVEMBER).
3. THE SHULTZ/SHEVARDNADZE MEETING HAD BEEN IN THREE PARTS, COVERING REGIONAL ISSUES, ARMS CONTROL AND BILATERAL RELATIONS. SHULTZ HAD TOUCH ON HUMAN RIGHTS ONLY GLANCINGLY.
4. ON REGIONAL ISSUES, SHULTZ HAD EXPLAINED THE FRAMEWORK INITIATIVE IN SOME DETAIL, ACKNOWLEDGING THE CENTRAL IMPORTANCE OF ARMS CONTROL TO THE US/SOVIET RELATIONSHIP BUT POINTING OUT THAT EXPERIENCE SHOWED THAT REGIONAL CONFLICTS DAMAGED THAT RELATIONSHIP AND SO AFFECTED ARMS CONTROL PROSPECTS, EG. WHEN THE RATIFICATION OF SAL II BECAME POLITICALLY IMPOSSIBLE AS A RESULT OF AFGHANISTAN). SHEVARDNADZE DID NOT RESPOND DIRECTLY TO THE FRAMEWORK IDEA, OR INDEED TO THE UNGA SPEECH AS A WHOLE.

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BUT HE DID ACKNOWLEDGE A SHARED RESPONSIBILITY TO TRY TO SOLVE REGIONAL ISSUES, AND AGREED THAT THE SUBJECT COULD BE PURSUED IN GENEVA. (PALMER MAINTAINED THAT THE SECOND AND THIRD STAGES FORESEEN IN THE FRAMEWORK PROPOSAL (IE. MILITARY DISENGAGEMENT, AND MULTILATERAL ECONOMIC ASSISTANCE) MIGHT BE ATTRACTIVE FOR MOSCOW, AND CLAIMED THAT AFRICAN AND ASIAN FIRST REACTIONS TO THE SPEECH HAD BEEN VERY POSITIVE BY CONTRAST TO THE SCEPTICISM OF SOME NATO ALLIES).

5. ON ARMS CONTROL, SHEVARDNADZE'S LENGTHLY EXPOSITION HAD COVERED THE FULL WATERFRONT, FROM THE GENEVA TALKS THROUGH MBFR AND CDE TO NON-PROLIFERATION AND CW. BUT THERE HAD BEEN FEW SURPRISES, OTHER THAN THE OFFER OF AN EXTENSION OF SAL II RESTRAINTS FOR ANOTHER YEAR, IE. TO THE END OF 1986. THE TWO MOST RECENT PROPOSALS IN GENEVA ON A SEPARATE INF AGREEMENT AND A KRASNOYARSK/THULE - FYLINGDALES TRADE -OFF HAD BEEN EXPLAINED AT LENGTH, AND SHEVARDNADZE HAD URGED US ACCESSION TO THE CURRENT SOVIET NUCLEAR TEST MORATORIUM, US AGREEMENT TO THE RESUMPTION OF CTR TALKS, US FLEXIBILITY AT THE CDE AND MBFR TALKS, AND THE NEED FOR AN INTERNATIONAL CW NON-PROLIFERATION REGIME. IN RESPONSE SHULTZ HAD SAID THAT THE SOVIET-GENEVA QUOTE COUNTER-PROPOSALS UNQUOTE WERE BEING CAREFULLY STUDIED, AND THAT THE US WELCOMED SOVIET WILLINGNESS AT LEAST TO RESPOND TO EARLIER US PROPOSALS. HE HAD THEN SPELT OUT AT SOME LENGTH THE ONE-SIDED NATURE OF THE SOVIET COUNTER-PROPOSALS, AND HAD ALSO CALLED FOR A MORE CONSTRUCTIVE SOVIET APPROACH TO NUCLEAR TEST VERIFICATION AND ON CDE AND MBFR.

6. THIRDLY, A BRIEF REVIEW OF PROGRESS ON CURRENT BILATERAL ISSUES (PACIFIC AIR SAFETY, RESUMPTION OF PANAM/AEROFLOT SERVICES AND THE CULTURAL EXCHANGE AGREEMENT) HAD PRODUCED AGREEMENT THAT SOME SHARP ACCELERATION WOULD BE NECESSARY IF AGREEMENTS WERE TO BE READY BY 19 NOVEMBER. IN A NEW US INITIATIVE, TO WHICH SHEVARDNADZE DID NOT RESPOND DIRECTLY, SHULTZ HAD SUGGESTED A JOINT EFFORT TO COMBAT TERRORISM (WHICH PALMER EXPLAINED IN TERMS OF POSSIBLE REGULAR TALKS BETWEEN OAKLEY AND A SUITABLE SOVIET INTERLOCUTOR IF ONE COULD BE FOUND).

7. THE US OVERALL ASSESSMENT OF THE TWO MEETINGS WAS POSITIVE: AS IN HIS UNGA SPEECH, SHEVARDNADZE HAD PROVED MORE CONSTRUCTIVE THAN HIS PREDECESSOR. BUT HIS FOURTH EXTENDED MEETING WITH SHULTZ HAD DEMONSTRATED HOW MUCH WORK STILL NEEDED TO BE DONE BEFORE THE SUMMIT. ON ARMS CONTROL ISSUES SHEVARDNADZE HAD HANDED OVER SOME ILLUSTRATIVE LANGUAGE FOR POSSIBLE INCORPORATION IN A SUMMIT DOCUMENT: THE US TOO HAD PROVIDED SOME FORMULAE, BUT NOT ON ARMS CONTROL. THE US WERE NOT COMMITTED TO THE PRINCIPLE OF A JOINT DOCUMENT: THEY WOULD WANT ONE ONLY IF THERE WERE SOMETHING SUBSTANTIAL TO SAY. IT WAS STILL TOO SOON TO PREDICT SUMMIT ACHIEVEMENTS: SHULTZ'S VISIT TO MOSCOW WOULD BE IMPORTANT.

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8. PALMER DUCKED ALL QUESTIONS ABOUT THE TIMING AND LIKELY NATURE OF THE US RESPONSE TO THE SOVIET COUNTER-PROPOSALS ON ARMS CONTROL. THE MATTER WAS NOW UNDER INTENSIVE HIGH-LEVEL CONSIDERATION.

9. ASKED ABOUT A POSSIBLE PRESIDENTIAL VISIT TO THE NORTH ATLANTIC COUNCIL AFTER THE SUMMIT (UKDEL NATO TELNO 263), PALMER SAID THAT THE US HAD MADE THE OFFER, AND THAT IF THE ALLIANCE CONSENSUS WAS FOR ACCEPTANCE, THE PRESIDENT WOULD STOP OVER IN BRUSSELS ON THE AFTERNOON OF 21 NOVEMBER. THE PLAN WAS TO REMAIN IN GENEVA FOR THE MORNING OF 21 NOVEMBER, IN CASE ONE FINAL SESSION WITH GORBACHEV WAS REQUIRED.

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FCO PASS SAVING TO BELGRADE, BUCHAREST, BUDAPEST, EAST BERLIN, PRAGUE, SOFIA, WARSAW, ANKARA, ATHENS, BRUSSELS, COPENHAGEN, LISBON, OTTAWA, OSLO, REYKJAVIK, THE HAGUE, TOKYO, CANBERRA, WELLINGTON.

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