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cc PC

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From the Private Secretary

US/SOVIET RELATIONS

Mr. Kossov of the Soviet Embassy came to see me this afternoon to give me the Soviet account of the recent meeting between Secretary Shultz and Mr. Shevardnadze. He left me with the enclosed translation of what was he described as the Soviet guidance telegram. He said that copies were not being handed over elsewhere, although extensive use is no doubt being made of the material. He made three additional points:

- the "Prime Minister's idea" that the United States and the Soviet Union should, in due course, sign a Memorandum of Understanding summarising the progress made in the START negotiations, as a basis for future work, had been very positively received in Moscow;
- the discussions in Vienna on the mandate for the negotiations on conventional forces could be brought to a successful conclusion very rapidly. A Soviet expert had told him that only two full working days were needed. It was important that they should be completed in June or July otherwise the opportunity would be lost for at least a year (because of the American Presidential elections);
- there was debate in Moscow as to whether bilateral discussions on conventional force reductions could be conducted more effectively with the UK or the FRG.

Mr. Kossov expressed interest in whether the Prime Minister would be sending Mr. Gorbachev a message in the run-up to the Summit. I said that she had not yet reached a decision on this. It would depend on her assessment of the extent to which there was something new and of substance to contribute.

Mr. Kossov said that the Soviet Ambassador was expecting a summons any moment to the Central Committee Plenum in Moscow but no word had yet come. It was evident that Mr. Gorbachev was facing real difficulties in the preparations for the Party Conference, the biggest of which were created by the

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activities of the Party organisations themselves in the regions.

I am copying this letter and enclosure to Brian Hawtin (Ministry of Defence) and to Trevor Woolley (Cabinet Office).

C. D. POWELL

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

1) The May round of Soviet-American talks on the foreign ministers' level was a useful and necessary stage in the dialogue between the two countries.

A thorough discussion was held of the questions concerning the preparation of the Soviet-American Summit and the documents to be signed.

2) Special attention had to be given to resolving some technical problems of verification and inspections in relation to the INF Treaty that had arisen recently. Finally the mutual concerns have been settled. The agreement includes arrangements concerning inspections on the whole territory of the site bound for inspection; measurements criteria during the inspections; technical data control; exchange of corrected data, additional photographs; procedure for presenting the notice and use of the control devices, etc. The American side assured that the USSR would be informed officially of liquidation sites for the ballistic missiles before the Treaty on INF comes into power. Under the same arrangement the American side also presented us with an official letter containing the data on the number of "Pershing-1A" missiles and launchers, which belong to the FRG but are presently on the US territory. The Americans took the obligation to provide the Soviet side with a possibility to inspect them.

The problem of the so-called "exotic weapons" based on future technology relevant to the INF Treaty was also resolved. The parties exchanged notes accordingly.

3) While discussing the START-ABM issues the parties agreed that although there is no possibility of reaching an agreement on 50-per cent cut in SOW before the summit, the progress in this field was considerable. Both parties intend to proceed with preparations to complete the treaty both before and after the Moscow summit.

So far as it is concerned, some major problems were discussed - observance of the ABM treaty, SLCMs and ALCMs, mobile IBMs, verification, including the question of data exchange. Once again we made the point of the need to find a satisfactory solution to the problem of SLCM.

As before, Mr. Shultz referred to the option of resolving the problem by means of unilateral declarations without verification agreement. He didn't name any SLCM level acceptable to the USA. On our part we pointed out that unilateral declarations without verification option didn't lead to a real agreement. The USSR stands for strict verification measures embracing all types of SOW subject to reductions without exceptions.

The question of ALCM was discussed in detail. Some points of mutual understanding have been found, particularly concerning the problem of type-telling. At the same time there remain differences in approach to estimating the number of the ALCM on heavy bombers. We voiced our strong objections to heavy bomber with conventional charges, not being included at all, as the Americans now insist. The American position implies that a major part of the US strategic weaponry would not be embraced by the reductions.

Concerning the mobile IBM the Soviet party presented some additional considerations on verification.

In the field of basic data exchange an important progress has been made. The parties exchanged data on their respective SOW arsenal, the Soviet data including all of the components. The USA presented selected data, which did not include SLCMs.

4) The talks on the nuclear tests and chemical weapons were constructive. The parties moved their positions closer.

Discussion of the conventional forces and weapons also moved both approaches closer, in particular on the subject of the future talks. The Soviet and American delegations on the Vienna talks received instructions to intensify their efforts.

The Soviet side again raised the issue of limitations on naval activities. We proposed to start with expert-level consultations during which it would be possible to discuss mutual concerns, disposition of Soviet and American Navies, to search for ways of reductions of naval activities in sea areas, adjacent to Europe and of introduction of confidence-building measures in these areas. Mr. Shultz stated that the Soviet proposals will be studied.

5) Of regional issues the questions of Afghanistan, Middle East, Central America and South Africa were discussed in the most detailed manner.

On Afghanistan the Soviet side emphasized, that the main task now is total implementation of all obligations, undertaken by Pakistan, Afghanistan, as well as the Soviet Union and USA as guarantors. We invited the American side to consider seriously whether support to the most reactionary fundamentalist groupings corresponds to its own interests.

During exchange of views on the Middle East we, on our part, pointed out that certain common elements have recently appeared in the sides' approaches to this region and that on this basis we should move further in the interests of a just settlement, which would take into account interests of all parties. The Secretary of State underlined the difficulties, which the USA have faced recently in their efforts in Middle East.

Discussing the situation in Central America we proceeded from the positions of necessity to encourage peaceful process in this region, supported the dialogue between Managua and opposition, reminded that Nicaraguans for a long time have been speaking in favour of dialogue with the USA on security issues. We are in favour of mutual Soviet-US cessation of arms-supplies (with the exception of small arms) to Central America or, at least, of a moratorium on such supplies, - as an interim step.

While discussing the situation in the southern Africa the results of the recent London meeting on Angolo-Namibian issue were generally assessed in a positive way. The sides agreed to hold in the near future Soviet-American expert-level consultations on this issue.

6) Bilateral relations were considered in a very detailed manner. Particular attention was paid to the agreements now in the pipeline, on science and technology, culture, education and some other aspects.

7) Exchanging views on humanitarian questions, we put forward some fresh considerations which could allow to achieve

agreements in Vienna CSCE review meeting. These new ideas in general reflect the rolling process of democratization of the Soviet society. Mr. Shultz stated that steps along these lines could give new impetus to Vienna meeting and facilitate its meaningful conclusion.