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TELNO 1631
OF 231603Z SEPTEMBER 89
INFO FLASH WASHINGTON

PERSONAL FOR PRIVATE SECRETARY AND HM AMBASSADOR WASHINGTON. LIMITED DISTRIBUTION

MIPT: FOLLOWING IS TEXT OF PM'S SPEAKING NOTE FOR THE US ADMINISTRATION

THE PRESIDENT ASKED ME FOR AN EARLY REPORT ON MY DISCUSSIONS WITH MR. GORBACHEV. I SHOULD BE GRATEFUL IF YOU COULD PASS THE FOLLOWING IMPRESSION TO HIM AND TO JIM BAKER IN WYOMING.

WHATEVER THE DIFFICULTIES HE FACES, THERE IS NO DOUBT THAT MR. GORBACHEV IS IN GOOD FORM: EBULLIENT, VIGOROUS, CONFIDENT. THERE IS NO SIGN THAT HE FEELS HIS POSITION AT RISK.

WE HAD A LONG TALK ON THE PROGRESS OF INTERNAL REFORM. HE IS REALISTIC ABOUT THE DIFFICULTIES AND CAUSTIC ABOUT HIS OPPONENTS, BOTH THOSE WHO SAY HE IS GOING TOO FAST AND THOSE WHO WANT TO GO MUCH FASTER STILL. HIS ONE CONCERN SEEMED TO BE THAT THE TWO EXTREMES MIGHT UNITE TO BUILD ON POPULAR DISSATISFACTION AND UNDERMINE HIS POLICIES. BUT HE SEEMED TO TREAT THIS AS A LARGELY THEORETICAL POSSIBILITY. HE WAS FRANK ABOUT THE ECONOMIC DIFFICULTIES, IN PARTICULAR INFLATION, AND HINTED THAT IT MIGHT BE NECESSARY TO RETURN TO 'OLD ADMINISTRATIVE METHODS' TO DEAL WITH THESE. (I PRESUME HE MEANS RATIONING, SUSPENSION OF THE RIGHT TO STRIKE OR SOMETHING IN THAT AREA). HE TALKED AT LENGTH ABOUT THE NATIONALITIES PROBLEM, BUT UNDERLINED HIS DETERMINATION TO AVOID THE USE OF FORCE, EVEN WHERE THERE WAS GROWING VIOLENCE AS IN ARMENIA.

I CONVEYED THE PRESIDENT'S THREE POINTS TO MR. GORBACHEV, NAMELY:

- THAT US/SOVIET RELATIONS ARE IN BETTER SHAPE THAN EVER AND THAT THE PRESIDENT IS SINCERE IN HIS SUPPORT FOR PERESTROIKA
- THAT HE HAS NO RESERVATIONS ABOUT PROCEEDING TO IMPROVE EAST/WEST RELATIONS:
- AND THAT WESTERN SUPPORT FOR REFORM IN EASTERN EUROPE IS NOT INTENDED TO THREATEN SOVIET SECURITY INTERESTS.

MR. GORBACHEV PAID PARTICULAR ATTENTION TO THIS LAST POINT. HE DESCRIBED DEVELOPMENTS IN EASTERN EUROPE AS POTENTIALLY EXPLOSIVE AND SAID THAT, IF THEY WENT TOO FAR, THEY COULD PUT EVERYTHING THAT HE HAD BEEN ABLE TO ACHIEVE AT RISK. THEIR INTERNAL DEVELOPMENTS WERE THEIR OWN AFFAIR BUT THE STRUCTURE OF THE WARSAW PACT MUST HOLD. HE THOUGHT THAT THE PRESIDENT ACCEPTED THIS, BUT CLAIMED THERE WERE OTHERS IN THE US WHO DID NOT.

HE WAS CLEARLY PLEASED ABOUT THE PROSPECT OF THE US/SOVIET SUMMIT IN

THE FIRST HALF OF NEXT YEAR AND ATTACHES GREAT IMPORTANCE TO THIS. HE STILL GRUMBLES THAT THE PRESENT ADMINISTRATION HAS BEEN SLOW TO DO BUSINESS WITH HIM. I TOLD HIM THAT THE PRESIDENT WAS SOMEONE WHO WOULD NOT BE RUSHED BUT WOULD WORK THROUGH PATIENT AND METHODOLOGICAL NEGOTIATION.

WE DISCUSSED ARMS CONTROL AT SOME LENGTH. I EMPHASISED THAT THE PRESIDENT HAS BRIEFED ME FULLY AND THAT I SUPPORTED THE PROPOSITIONS HE WAS PUTTING FORWARD. GORBACHEV SEEMED GENERALLY CONTENT WITH THE PRESIDENT'S PROPOSALS ON CHEMICAL WEAPONS. HE APPEARED TO RECOGNISE THE NEED FOR THE UNITED STATES TO RETAIN A MINIMAL QUANTITY OF CW UNTIL ALL CHEMICAL WEAPONS STATES ADHERED TO THE CONVENTION.

ON CFE HE PUSHED HARD ON THE INCLUSION OF FRENCH, BRITISH AND BELGIAN FORCES WITHIN THE CEILING FOR STATIONED FORCES IN EUROPE. (I MADE CLEAR THAT WAS TOTALLY UNACCEPTABLE TO US). BUT HE SAID THE SOVIET UNION WOULD BE PUTTING FORWARD A REVISED POSITION ON AIRCRAFT, WHICH WOULD RAISE THE PERMITTED NUMBER TO 4,500, WITH A SEPARATE CEILING FOR AIR DEFENCE AIRCRAFT. HE SAID AT ONE POINT THAT HE WAS CERTAIN (LAST WORD UNDERLINED) THERE WOULD BE A CFE AGREEMENT NEXT YEAR.

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- WHILE THE LONG TERM AIM REMAINED TO GET RID OF THEM - THE SOVIET UNION WOULD ACCEPT EQUAL CEILINGS ABOVE ZERO. AS AN INTERMEDIATE STEP: AND WOULD BE PREPARED TO MAKE UNILATERAL REDUCTIONS AS SOON AS NEGOTIATIONS STARTED. I STUCK FIRMLY TO THE AGREED NATO POSITION.

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I WILL LET THE PRESIDENT HAVE A FULLER ACCOUNT WHEN I HAVE HAD TIME TO REFLECT. PLEASE TELL HIM HOW VERY GRATEFUL I WAS FOR HIS FULL AND PROMPT ACCOUNT OF HIS OWN MEETING WITH SHEVARDNADZE.

BRAITHWAITE

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PS/PLUS 1
PS/SIR J FRETWELL 1
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MR BAYNE	1
MR RATFORD	1
MR GOULDEN	1
MR KERR	1
HD/SOVIET DEPT	1
HD/SECPOL D	1
HD/ACDD	1
[MCGROARTY]	

BRIEFING FOR THE US ADMINISTRATION

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PRIME MINISTER'S VISIT TO MOSCOW

1. THE PRIME MINISTER BRIEFED THE AMERICAN CHARGE D'AFFAIRES THIS EVENING BEFORE DEPARTURE, AND PASSED HIM A SPEAKING NOTE TO BE HANDED URGENTLY TO THE PRESIDENT AND TO MR BAKER IN WYOMING. THE TEXT IS IN MY IMMEDIATELY FOLLOWING TELEGRAM.
2. CHARLES POWELL WILL DICTATE A RECORD ON HIS RETURN. NO BRIEFING SHOULD BE GIVEN TO COLLEAGUES OR ALLIES MEANWHILE.

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[MCGROARTY]

MEETING WITH MR. GORBACHEV

1. Visit to Bratsk: grateful for courtesies.

✓ 2. Your continued strong public support for his policies.

Internal ✓ 3. Internal developments. Interested to hear about progress with:

- economic reform. Austerity measures?

- nationalities. Latest statement by Lithuanian CP.

Armenia/Azerbaijan - law on private property.

- Emigration law and other human rights legislation.

Concern about refuseniks.

✓ 4. Major developments in Eastern Europe since last meeting:

Poland (role of Jaruzelski), Hungary. Western support

not aimed at undermining Soviet security interests. Implications

for East Germany: German reunification?

President Bush ✓ 5. Contact with President Bush. Briefed on details of letter.

Welcome progress and intention to hold Summit early next

year. Bush asked you to make three points:

- US/Soviet relations better than ever. Sincere support for Perestroika.

- no reservations about proceeding to further improvements (despite media concentration on Soviet problems).

- no intention to threaten Soviet security interests in Eastern Europe. Want to develop free and prosperous societies there.

6. Arms control:

- welcome re-engagement of START negotiations and decision on KRASONYASK. Ask him to explain latest Soviet proposals.

✓ - support Bush's latest proposals on CW. Key remains verification. Continuing concern about Soviet figures for CW stocks: hope measures being discussed at Wyoming on exchange of data/inspections will help.

Strategic Review

7. - CCFE. Progress being made. Understand new Soviet position on aircraft likely. Support aim of trying to complete by late next year, with concluding Summit.

- SNF. NATO position set out in communique of NATO Summit. First step for Soviets to reduce unilaterally. Longer term aim - if CFE agreement reached and implemented - of equal ceilings at lower levels (but always same).
- Nuclear tests
- open skies - *Canadian*

7. Bilateral:

- hope for visit by Ryzkhov. Your visit to Kiev (and Armenia, if work on school pressed forward?).
- trade: problems at Simon Carves plant. - *Relationship supply - a year behind*
- ceilings. It is not Mr. Gorbachev's policies which we object to, but KGB activities which run counter to them. Suggest depute Foreign Minsiters to discuss and find reasonable and reciprocal solutions.

and lasting.

*C.O.C.O.M.,
Propaganda
G.W.C. logic.
Simon Carves
expensive*

8. International issues:

- Iran
- Angola/Namibia
- Central America (Americans remain very concerned).
- [Afghanistan] - *Could respond*

9. Gordievsky. Treat as reunification case. Let her come to UK and talk over with him. Personal undertaking that no obstacle put in way of her return.

10. Embassy. Please can we keep it. Invite Gorbachev to see for himself.

11. The Queen. *Unlikely to be possible before 1992/3.*