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THE WHITE HOUSE
WASHINGTON
October 9, 1989

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By JMR NARA, Date 9/30/2011
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Rich
Dear Mr. President:

I have asked Brent to bring you up to date periodically on significant foreign policy developments. The past few weeks have been particularly eventful, however, and I thought you would be interested in a report from me.

Shevardnadze Visit

Shevardnadze brought me a letter from Gorbachev on arms control which indicated, in our judgment, a desire to move ahead. The letter contained a number of interesting suggestions, although some had strings or conditions attached. The most forthcoming proposals were in strategic arms control: Gorbachev said he would dismantle the Krasnoyarsk radar; drop Soviet insistence on linking START to an agreement on SDI and work with us on a package of START verification and stability measures but with the idea of expanding those discussions to include all systems that would be limited in START.

The dropping of the formal link between a START Treaty and SDI appears positive. Yet their claim of a right to withdraw from a START Treaty if we go beyond the ABM Treaty (as they define it) clearly presents problems. We continue to oppose linkage. In Geneva we will probe their position further.

In conventional arms control, Gorbachev proposed Ministerial meetings in Vienna to push the negotiations along and a CFE Summit in the second half of 1990 to sign an agreement, hopefully indicating support for our rapid timetable for CFE negotiations. Gorbachev also hinted that the Soviets might be flexible about subjecting more of their aircraft to CFE limitations -- but in following up we have found there is less here than meets the eye. Not surprisingly, Gorbachev reiterated his desire to

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hold immediate negotiations on SNF and noted again that he was considering major unilateral reductions in Soviet SNF. Gorbachev also expressed general support for my Open Skies initiative and agreed to Soviet participation in an international conference on this subject which Canada has offered to host later this year.

As a result of the meetings with Shevardnadze, we are also close to solving the verification problems of the 1974 and 1976 nuclear testing treaties.

Shevardnadze and I also discussed a U.S.-Soviet Summit in the first half of 1990, which, as you know, was later announced.

Regional conflicts were another focus of discussion, and here there is a disturbing trend of continued or increasing Soviet-bloc arms shipments into these regions (especially Central America and Afghanistan) and unhelpful conduct by Soviet clients in the negotiations. We made clear that this trend could harm our overall relations.

U.N. General Assembly

I went to New York on September 25 and had a good day at the U.N. Some of my bilateral discussions were of particular interest. It gave me chance to meet with Poland's new Foreign Minister as well as with the Hungarian Foreign Minister. I was able to reinforce our message of support for their courageous reform efforts, as well as to express admiration for Hungary's willingness to let East Germans transit out to the West.

I met with Presidents Sarney of Brazil, Carlos Andres Perez of Venezuela, Paz of Bolivia, and Cerezo of Guatemala. The main topics were how to keep the pressure on Noriega and how to help Colombia's battle against the drug cartels. The degree of support for our efforts was particularly encouraging.

Shimon Peres and Moshe Arens, Israeli Deputy Prime Minister and Foreign Minister

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respectively, also paid calls on me in New York and discussed the status of the peace process.

In my address to the General Assembly, I announced a new proposal to move us closer to a global ban on chemical weapons:

- Destruction of 98 percent of our current chemical weapons stockpile within eight years after entry into force of a chemical weapons convention, provided the Soviet Union is one of the parties.
- Total elimination of our stockpile within ten years after entry into force of the convention, provided all chemical weapons-capable states become parties to the convention by the eighth year, or within two years of the time when all chemical weapons-capable states do become parties, whichever is later.
- As the negotiations on a chemical weapons convention continue, reduction of our stockpile to less than 20 percent of its current level, provided the Soviet Union agrees to reduce its stockpile to the same level under mutually agreed terms, including suitable provisions for the inspection of the chemical weapons destruction process.

Meanwhile, I have directed a redoubled effort to tackle the remaining verification uncertainties. We recognize that the Soviets may have been less than candid in their pronouncements about their existing stockpile levels. Our proposals in no way imply our acceptance of Soviet figures. Rather, we believe that our approach can help reduce the uncertainty about the size and location of these stocks and bring about the verified destruction of a large quantity of Soviet chemical weapons.

Poland

U. S. officials had a series of meetings in late September with key Polish ministers to review Poland's new economic reform program. It is a bold and courageous plan, which we hope will

lead to an early agreement with the IMF. It also calls for \$1 billion in economic stabilization assistance from the industrialized countries in the context of an IMF agreement.

I want to be responsive to Poland's request and to encourage concerted Western action. I have therefore decided to ask Congress for a \$200 million stabilization grant for Poland. This would be contingent upon Poland's conclusion of an agreement with the IMF, upon the recommendations of an experts' mission that we will send to Poland soon, and upon full financing by our allies of the proposed \$1 billion stabilization fund. The experts' mission will consist of specialists in finance, agriculture, industry, transportation, etc., who will contribute the best advice and analysis we can bring to bear to assist in the structural transformation that is required -- and to assure the most productive use of the funds being provided. On the basis of the experts' report and after further consultations with our Western economic partners, we will then formulate a plan for longer-term U.S. assistance to Poland. Agricultural and private sector development seem, at present, the likely focus of the longer-term effort.

Panama

I was disappointed that the coup attempt in Panama failed, but I am convinced that we followed the correct course in not involving ourselves precipitously in military action. We did have slight advance knowledge of the plot, but the plotters told us they did not want actual U.S. involvement. Moreover, I was opposed to the possible combat involvement of our forces in a situation in which it was far from clear that the plotters had hope for success. As it was, the rebels failed to neutralize two key units, and rebel officers told us that they would not in any case deliver Noriega to us if they succeeded.

Noriega emerges from this incident, I believe, with even more uncertainty about the loyalty of his troops, and he will need to conduct a morale-sapping purge. At the same time, PDF

officers are bound to be intimidated against trying another coup. I intend to keep political, economic, and diplomatic pressure on him. We have warned American companies, for example, that we will strictly enforce our economic sanctions, even if it means that some firms will leave Panama. I have not ruled out the use of U.S. military force if an appropriate situation should arise.

Central America

While our main effort in Nicaragua is to encourage a free election campaign, the issue of Soviet and bloc military supplies has been a recent focus of attention. Military deliveries to Nicaragua for the first 9 months of this year are valued at \$350 million. Shevardnadze reiterated the Soviet position that they were not sending weapons, but I pointed out that Cuban and bloc arms shipments have risen significantly. Shevardnadze agreed to bring the matter up with the Nicaraguans and Cubans if we could substantiate our assertions. We provided a listing of Cuban ships known to have carried arms, munitions, military supplies, or military spare parts.

Shevardnadze's trip to Nicaragua and Cuba has not been encouraging, as they have used the occasion to launch a diplomatic initiative proposing that the United States and the Soviet Union jointly guarantee peace and security in the region. We, of course, will not consent to an institutionalized Soviet role in the region, although we will carefully encourage constructive Soviet behavior. We will monitor intelligence reporting to see if the Soviets have indeed brought any pressure on their clients.

The Middle East

On the Middle East, there is reason to be mildly encouraged. The May 14 Israeli proposal for elections in the occupied territories, coupled with the 10 points of Hosni Mubarak (who was just here), give us a package that might produce a Palestinian interlocutor acceptable to Israel and the PLO alike. Our objective is an Israeli-

Palestinian dialogue that would focus on the groundrules for elections. Just getting the dialogue underway is proving to be difficult; as always, every detail is placed under a microscope to see what if any precedent is being set. The composition of the Palestinian delegation and the "visibility" of the PLO role promise to be the major hurdles. An exertion of U.S. influence and perhaps a "summit" between Shamir and Mubarak will be needed to make this work.

Lebanon diplomacy is also mildly encouraging at the moment. The Arab League effort, spearheaded by the Saudis, provides the backdrop for the current near-ceasefire, as well as a framework for national reconciliation and reform. It remains to be seen whether the Lebanese parliamentarians meeting in Taif can produce a new power-sharing formula acceptable to Christians, Sunni, and Shia. Just as important will be something that brings about phased Syrian troop re-deployments and articulates the goal of Syrian withdrawal. Our influence is limited. Withdrawing our Embassy personnel was something we did only reluctantly, but General Aoun's menacing behavior left us no choice. Nevertheless, we want to reopen our Embassy as soon as we receive reasonable assurances as to the welfare of our people and judge that they can accomplish something that justifies the unavoidable risks.

East Asia

China marked its 40th anniversary with statements that suggest Deng's desire to maintain the relationship with the U.S. Your visit thus comes at an interesting time. The political situation in China and in the leadership remains unstable and unpredictable.

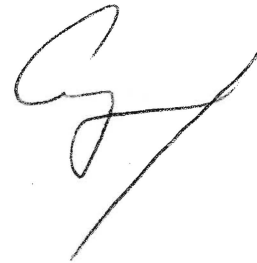
The formal withdrawal of Vietnamese troops from Cambodia (as of September 30) marks the beginning of a new period of fluidity in which the four factions will test their military as well as political strength inside Cambodia.

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Despite some controversy in Congress, we continue to support Sihanouk and his diplomatic efforts to balance off the two Communist factions, and we continue to seek military aid for the Non-Communist Resistance.

Sincerely,



*I Hope this is
helpful - Warm Regards.*

The Honorable Richard Nixon
577 Chestnut Ridge Road
Woodcliff Lake, New Jersey 97675

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