

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Second Expanded Bilateral Session

PARTICIPANTS: The President  
James A. Baker, Secretary of State  
John H. Sununu, Chief of Staff  
Brent Scowcroft, Assistant to the President for  
National Security Affairs  
Howard Graves (LTG), Special Assistant to the  
Chairman of the Joint Chiefs of Staff  
Dennis Ross, Director Policy Planning Staff,  
Department of State  
Condoleezza Rice, Director, Soviet and East  
European Affairs, NSC Staff (Notetaker)  
Interpreter

Mikhail Gorbachev, Chairman of the Supreme Soviet  
of the USSR  
Eduard Shevardnadze, Minister of Foreign Affairs  
Aleksandr Yakovlev, Member, Politburo; Chairman,  
International Policy Commission, Central  
Committee  
Aleksandr Bessmertnykh, First Deputy Minister of  
Foreign Affairs  
Anatoliy Chernyaev, Aide to Chairman Gorbachev  
(Notetaker)  
Anatoliy Dobrynin, Advisor to the Chairman, USSR  
Supreme Soviet  
Sergey Akhromeyev, Advisor to the Chairman, USSR  
Supreme Soviet  
Interpreter

DATE, TIME December 3, 1989, 4:35 - 6:45 pm  
AND PLACE: Maxim Gorkii Cruise Liner, Malta

Chairman Gorbachev: Well, what remains to be covered? I know  
our Ministers have something to cover and, after all, I am your  
guest today. (laughs) (U)

The President: How do you like my ship? The press was yelling  
at me on the Belknap that everything was cut short. I told them  
that we worked at lunch too. (U)

Chairman Gorbachev: Overall it was five hours. We know better.  
If you don't mind -- because of this we could have a press  
conference together. (U)

The President: We have arranged to do something together and  
then a press conference. (U)

Chairman Gorbachev: Have you announced that? Because I think our press conference will have to be here on the Gorkii. I thought it would be better to do it here. (U)

The President: If we do that the press will think I'm dodging their questions. They will say I don't want to answer their questions. (U)

Chairman Gorbachev: O.K. We will come out together -- not for a press conference -- answer a few questions. Then I will just have a press meeting not a press conference. (U)

The President: Fine. I'll have a final answer for you after the meeting. (U)

Chairman Gorbachev: Mr. President, yesterday I responded to your proposals. Maybe you want to listen to our suggestions. I will take into account what you said. This is an informal meeting -- the first -- between the two of us. I want to say to you and the United States that the Soviet Union will under no circumstances start a war -- that is very important. The Soviet Union is ready no longer to regard the United States as an adversary and is ready to state that our relationship is cooperative. That is the first point. (S)

Second, we favor joint efforts for verifiable limits on nuclear weapons. We are interested in continuing arms control but need to go beyond the arms race and renounce the creation of new weapons. Our military people are already cooperating. I want to thank you for giving General Yazov a chance to familiarize himself with U.S. armed forces. (S)

Third, we have a defensive military doctrine. We have given explanations to the United States of what is meant by it. I want to note that the structure of our armed forces is changing -- assuming a defensive nature. They are declining in bridging, landing equipment and changing the location of our airforces. We are removing strike aircraft and putting defensive aircraft where the strike aircraft were located. We are not keeping these activities secret. Our military people are ready to meet with yours and to discuss certain suggestions for adopting and implementing defensive doctrine. (S)

Still, the U.S. is proceeding on the basis of flexible response which was in the past justified but now -- now that there are recognized changes at the political-military level -- why isn't the United States moving to change the posture of its own armed forces. This is very important. I have read the Brussels Statement (I think it is sixty pages) and there is no real change as yet. (S)

Another fundamental point. We have been discussing the dynamics of negotiations. Let me point to one problem that I think is of great importance. Both of us recognized that both sides have created tremendous military power and are becoming aware of catastrophic consequences. We have shown political will to

eliminate that threat. We signed the first treaty together -- the INF treaty. (S)

The President: Thanks for what you sent me by Dobrynin -- the piece of the SS-20. (S)

Chairman Gorbachev: This is the only realistic perspective. A lot has been done and the prospects from what you did yesterday are good. But something worries us. It is the naval issue which is still outside the process of negotiation. This is an emotional issue for previous Administrations and ours and to a certain extent we understand that the U.S. is a sea power whose lifeline is the sea and ocean. We know that the U.S. has a tradition of building these kinds of armed forces. (S)

It is not an easy issue but just look at the situation. As of the early 1950s the U.S.S.R. was surrounded by naval bases -- 500,000 men, hundreds of aircraft, huge fleets. The U.S. has aircraft carriers with about 1500 aircraft. All that is deployed in waters adjacent to us. In this context, I am not speaking about submarines. (S)

The Vienna talks will result in lowering the confrontation on land and the prospects are good on strategic arms. We believe that soon we are entitled to expect that the naval threat to us should be reduced. (S)

I will venture an initiative. I believe we should start talks on naval arms. Maybe through confidence building measures or reducing the level of naval activities we could do something. After we are finished at CFE and START we need to go over to naval issues. (S)

I know that the U.S. faces other potential problems than the Soviet Union but in the same way that the U.S. feels Europe is important we need security from any ocean threat. (S)

Now I would like to make some remarks on the current talks. I understand that we do not want to discuss details at this meeting. But I want to make remarks on three items. I would like to continue discussion and have the military people do it. We must come to grips with problems and see them clearly. (S)

First, we must better understand the relationship between the ABM and the START treaty -- taking into account the Shevardnadze proposals to Baker. (S)

Second, we believe it is important to get a handle on heavy bombers and ALCMs. If the current U.S. proposal were adopted, the overall aggregate total would be not 6000 but over 8500. We are not seeking an advantage for ourselves -- the actual loads should be equalizing. (S)

Third, SLCMs. I already talked about it. If I understand you correctly, it is to resolve the START issues by the time of the Summit by the end of 1990 and have a treaty signed. (S)

Another important point too -- Scowcroft and Akhromeyev have had some very useful talks. The U.S. and Soviet navies have nuclear weapons such as submarines and SLCMs and tactical nuclear weapons -- nuclear mines, etc. (S)

Submarines are strategic weapons and are verifiable and will be in the structure of both arsenals. It is a part of the triad of forces.

(S)

But the rest -- tactical nuclear forces at sea -- should be eliminated. This was suggested in informal discussions. I hope neither Scowcroft nor Akhromeyev will be offended by my now putting this on the table more formally. (S)

We would be ready to do away with all nuclear forces at sea -- that would be the easiest for verification. Well. (S)

The problem is reducing not only weapons but people:

First, our proposal that overall aggregates should be 1.3 million a reduction of 1 million men by each side. NATO has not agreed. I think that people will find the decision to reduce weapons and not people unacceptable. (S)

Second, there is the issue of reducing the numbers of personnel deployed on foreign territory. We are proposing that the numbers of personnel be reduced to 300,000 men per alliance. This is like a proposal suggested first by the Soviet Union but your proposal does not deal with many foreign troops on the soil of the Western alliance (the UK, France, etc.) (S)

Third, our proposal is for a ceiling of 4700 front-line tactical aircraft. I also suggested that there should be a sub-ceiling on defensive interceptor aircraft. (S)

Nothing has been agreed and I want to request that the next Ministerial look at these concerns. (S)

Fourth, on open skies, we support the proposal and will participate. We intend to work positively and intend to have our military people look at it closely but we should also develop open seas, open space. (S)

[At this point Chairman Gorbachev hands over a map of U.S. bases surrounding the Soviet Union.]

The President: These are U.S.? (U)

Chairman Gorbachev: You see the USSR is clear (laughs) but the Sixth Fleet is moving. (U)

The President: Where is the SLAVA? (U)

Chairman Gorbachev: Not on the map. (U)

The President: Why don't we see how accurate this is and we'll tell you if there are any problems. ~~(S)~~

Secretary Baker: You should fill in the Soviet Union and Eastern Europe. ~~(S)~~

Chairman Gorbachev: U.S. territory is white on this map too -- it isn't filled in. ~~(S)~~

The President: Should I? ~~(S)~~

Chairman Gorbachev: Fill it in. ~~(S)~~

Secretary Baker: When you start publishing your defense budget we can fill the whole thing in. ~~(S)~~

Chairman Gorbachev: We are moving in that direction. I only want to underline the degree to which we look to peaceful relations with your country. Taking into account that a gun can shoot without anyone pulling the trigger -- fewer guns means less possibility. I do not want the danger to the U.S. to be any more than it is for the Soviet Union. ~~(S)~~

Foreign Minister Shevardnadze: Yesterday you made a constructive proposal on chemical weapons. ~~(S)~~

Chairman Gorbachev: As I said when hearing it -- we believe its two broad elements: the global ban and the U.S. plan to abandon modernization form a good basis. ~~(S)~~

The President: I have a question on proliferation. ~~(S)~~

Chairman Gorbachev: Yes? (U)

The President: I know you were not convinced that the Libyan plant was a chemical weapons plant but as we go along we should try to speak out against these kinds of incidents. People talk about chemical weapons as a poor man's atomic bomb -- horrible weapons -- as our experts discuss the proposals, I would like to see if we can't see if there is a position that we can agree on proliferation. ~~(S)~~

Chairman Gorbachev: Our position is the same. We are against proliferation. I would like our Ministers to work out more specific steps. ~~(S)~~

The President: We are vulnerable to the argument by small states that we have them. It will be good if we can cooperate. ~~(S)~~

Chairman Gorbachev: Sure we can cooperate. We can start rapidly to reduce and then we will have a moral right to press forward. ~~(S)~~

Chairman Gorbachev: How can we see the process in Europe. Let us leave the arms control file to our Ministers. ~~(S)~~

The President: I have great confidence in our Ministers. The military to military work helps too. The work that Akhromeyev and Crowe started -- the more I look at the problem, I think those meetings are very helpful and should continue whatever people are involved. (S)

Chairman Gorbachev: We discussed it among ourselves. It is interesting that even when we are not at the same table we seem to be discussing the same issues. (S)

The President: Those talks can make a huge difference. Our military has clout with NATO -- the European counterparts of NATO won't do exactly what the JCS says -- but as we are shifting -- as we proceed -- the military to military contacts are very important. (S)

Now on to Europe. You are closer but I want to make a comment. (S)

We have been surprised at the rapidity of change and noted your personal reaction and that of the Soviet side to these changes. Yesterday you and I discussed, without much detail, German reunification. We cannot be asked to disapprove of German reunification. I realize that this is a highly sensitive subject and we have tried to conduct ourselves with restraint. I do not want to be positioned in a provocative way. (S)

[Gorbachev turns and asks clarification from translator]

I sent a high level delegation to Poland -- top industrialists and labor leaders -- not to provoke difficulties for the Soviet Union. Rather, it goes to explain from our standpoint what works in the economy. (S)

We are well aware of the Helsinki language about borders and now I am anxious to hear from you. How do you see beyond the status quo? (S)

Chairman Gorbachev: First, I reject the remark that we are closer to Europe. We are equally involved and integrated. We are well aware of your involvement and any approach that rejects the involvement and role for the U.S. would be unrealistic and unconstructive. It would be a mistake. Acceptance of your role is a basic point with us. (S)

The President: What I meant was that we haven't been that close to Eastern Europe but want to become closer without damaging Soviet interests. We are involved, of course. We lead NATO. But you have been more the catalyst for change in a productive way. (S)

Chairman Gorbachev: I took advantage of that remark to reaffirm our position because there has been speculation. You have remarked about change in Europe. Something fundamental is happening and change in Western Europe is no less fundamental. A few months ago I talked to the Trilateral Commission -- Giscard, Nakasone and Kissinger. Yes. It was coordinated by Rockefeller

and it was a very interesting group. I guess they all have plenty of time now. (S)

The President: They have money too. (S)

Chairman Gorbachev: President Giscard made remarks and said to me that I must be ready to deal with a United Federation of Europe -- a Federated State of Western Europe. He said that economic integration is taking place now at all levels as 1992 approaches and that political structures will also develop -- perhaps even supernational structures. (S)

As Europeans, we try to put this into the context of the "common European house." I would like you to agree to give more thorough consideration to this idea because both sides have an interest. Both must -- now that the whole of Europe is in a period of flux. (S)

The President: I agree. (S)

Chairman Gorbachev: As we see it, the draw between East and West is an objective process where the countries of Europe will become closer to each other. European countries will be more compatible and this is another aspect of profound change. Our viewpoint -- shared by all Europeans -- even in nuances as a part of Kohl -- our view is that we should do everything within the Helsinki context rather than ruining what has been done. (S)

A Helsinki II Summit to develop new criteria for this new phase would be a good idea. It could be attended by all who signed the Helsinki Final Act -- the U.S., Canada, the Vatican, the USSR and all the Europeans. A prudent and responsible approach is important. (S)

This would be to make sure the process doesn't result in less stability. We need to improve stability and limit the damage and make sure not to ruin the instruments that have maintained the balance but to transform the Warsaw Treaty Organization and NATO. They should change to a more political than military nature. Our generals have already started contacts but we need more. (S)

We need to let the economic communities interact. COMECON is looking to make changes to make it more compatible with the world economy. Such an approach must be free from surprises. (S)

Now let me mention a concept of U.S. origin: The division of Europe should be overcome on the basis of Western values. (S)

If policy is made on that assumption the situation could become quite messy. You used to make similar accusations against the USSR -- the export of revolution. (S)

This is not a simple phase but a time of great responsibility. Eastern Europe is changing to be more open, democratic and to respect universal human values. It is moving closer to the economic arrangements of the world economy. This opens up the possibility for a tranquil and placid pause. (S)

It is dangerous here to try to force the issues -- to push it artificially in order to achieve an advantage. I believe that various options could come up in the future. We cannot expect it to be painless. The situation is acute because enormous societal forces are coming into play. (S)

I have seen that in the Soviet Union with different traditions, special features -- and I see how fiercely the debate is raging about our economy and our political institutions as we move toward democracy. How to transform our federation. (S)

Prime Minister Mulroney interrogated me on how to solve this problem and discussed our experience and that of Canada. He told me things about Quebec and its ambitions -- separatism in Quebec. I mentioned similar trends in the Soviet Union. (S)

I wonder why the U.S. Congress is so concerned about the Soviet federation instead of trying to help Canada which is much closer and more important to you. (S)

We can predict that developments in Europe will not always be smooth but overall I look at things optimistically. You know, analyzing things and responding to unfolding events. You can tremble and some panic but if you look at it philosophically -- things fall into place. We are dealing with fundamental processes if nations and peoples are involved in the developments -- one can't expect it to be smooth. It is important to see that. These changes are deep and historical. We should not undermine this process but seize opportunities to bring together East and West. Differences will still exist. I look at the differences within the USSR and the US and Europe -- there are big ones. (S)

We want mutual understanding of what is happening and we have such an understanding. Because we are aware that the process is moving we would like to have interaction so that we don't let the process scatter so as not to find ourselves in a chaotic situation that would stop the process and throw us back. This is a special period. (S)

The President: Let me ask you to clarify. You expressed reservations about "Western values." I can understand if this is presented with arrogance or chauvinistic pride -- that would be bad. But as we discuss these matters inside NATO and Western Europe there is naturally talk of Western values. (S)

A Western value is glasnost -- openness -- it isn't our word but we value lively debate, pluralism and openness. Western values are free markets and openness. But it is not something new with us. These common values have been there in U.S.-Western European relations for a long time. (S)

As we see changes that are a long the lines of what we talked about -- its not in hostility that "Western values" is written. I want to be sure of the difficulty you have in our using this term -- I don't want to complicate anything. (S)



Chairman Gorbachev: Our main principle from which we proceed is the right of each country to make its own choices and also the right of nations to change that initial choice. It can be painful but it is an internal matter. The U.S. is committed to a certain political, cultural, and economic choice. Let others make their choices. What God they pray to? What to worship? What is important is change and renewal in East and West and a process that is drawing us closer together. The developments will not be a copy of Swedish, Russian or any other way. It will be something redefined by the new age in the world and in Europe. The thing is there is no fear as regards any system -- people are looking for their own variant. (S)

The President: We don't differ. Self-determination is a value we endorse and it is openness that permits self-determination. Western values does not mean the imposition of our system on Czechoslovakia, the GDR or Romania. (S)

Chairman Gorbachev That is important for us -- these fundamental changes now bring nations closer together. I see how Eastern Europe is finding new forms of resolving the development of social problems -- trade and technology and science. Taking processes developed in other countries too. It is a good process. Political and practical affairs will go easier if our understanding is similar. (S)

Changes will take place constructively and cooperatively in order to allow that process to attain new phases in European civilization and world civilization. We have been persuaded that there should not be one simple model in the socialist or capitalist world. (S)

The President: I told Primakov that when he said he wanted to build a Parliament like ours. I said, "Don't copy us. We have a good system." (S)

Chairman Gorbachev: I think your advice is appropriate and I must accept only those things that are organic. (S)

Secretary Baker: You emphasize the term self-determination. You have said governments should choose their form. We agree as long as people can choose their governments. That is what we mean by Western values -- not that there should be specific forms imposed. (S)

Chairman Gorbachev: But when someone says he has the final truth you have to expect trouble. (S)

The President: Yes. (S)

Secretary Baker: There is great nervousness about what reunification of Germany would mean and we say on the basis of Western values and we mean openness and pluralism because no one wants the kind of Germany we had between 1937 and 1941. (S)

Chairman Gorbachev: Yakovlev asked why are openness, glasnost and pluralism Western values? (S)

The President: Because this has been our solid foundation. (S)

Chairman Gorbachev: We share those values. Those are common values. (S)

The President: It is much more apparent that we share those values today than twenty years ago. (S)

Chairman Gorbachev: That is important. If we started to talk about the collapse of capitalism or of socialism -- nothing good would come of it. We should see things as they are so as not to become involved in propaganda. (S)

Mr. Yakovlev: If one were to insist on calling these Western values we could start talking about Eastern or Chinese values. That would be ideological. (S)

Foreign Minister Shevardnadze: Western values -- Western strength. Some are saying it is because of Western strength. (S)

The President: Let's try to avoid words that cause you concern or us concern. We are saluting the values. (S)

Chairman Gorbachev: The direction of these changes is that we are becoming more open and an organic integration is taking place. We are abandoning those things that divide us. How do you call that? We should say a "new relationship." Let us not make it a theological debate. That led to religious wars and we should have learned from that. (S)

Secretary Baker: Democratic values? (S)

Chairman Gorbachev: Yes. (S)

The President: I am glad we had this conversation. (S)

Chairman Gorbachev: I wanted to have this discussion take place. (S)

Now to the Middle East. What should we be doing? We've probed Arafat to the edge and while he is still alive something should be done. (S)

The President: There was some encouraging news yesterday to Secretary Baker that Arafat may be ready to go forward with the ten points. (S)

One suggestion relating to your possible diplomatic relations with Israel. I recognize that it is your internal matter but recognition of Israel diplomatically would be good. Some say, "Why would the President suggest that -- Israel is our closest friend?" I think it would fit your requirements. We are trying

to get the Palestinians and Israelis to engage in dialogue. The Baker five points were given to Shevardnadze. (S)

Chairman Gorbachev: I know them better than the ten. (S)

The President: Shamir has been pulled to the right by Sharon and Levy in his own party. It is difficult to get him to move. (S)

Chairman Gorbachev: A couple of points. I felt that we have never had more favorable circumstances than now to settle the Middle East conflict. I am able to say that because we are involved together. The U.S. was trying to solve the Middle East problem alone for many years. Alone you were unable to do that -- cooperation has been established again and we are ready to contribute constructively. (S)

Pushing Arafat in the appropriate direction has given us new opportunities that could evaporate. Already he is considered a traitor by many in the PLO and other Arabs. I welcome the U.S.-PLO dialogue because maybe you can get your own clarification of Arafat's position which is constructive. On relations with Israel it is not a problem for us. [To Shevardnadze] How many times have you been to Middle East? (S)

Foreign Minister Shevardnadze: Six. (S)

Chairman Gorbachev: As soon as we see progress on the settlement -- we will recognize Israel. We have many interests in common. Many people from the USSR are living in Israel and we have good contacts with Jewish organizations, even those based in your country. (S)

I am worried that the process of consolidation among Arabs may at some point make it so they could decide not to involve the US or the USSR. The opportunity must be grasped. (S)

The President: We would be pleased to see you have diplomatic relations with Israel. The mood of blanket endorsement of everything that Israel wants has been changed by the Entifadah. Israel is still a staunch ally but the mood now is that we must solve the problem. (S)

I might say on Lebanon, just across the border that we strongly supported the Tripartite effort. We have no influence with Aoun and deplore the killing of the President and are concerned about the massive Syrian presence. If Aoun can be persuaded to step aside, Lebanon can be the peaceful place we once knew. (S)

Chairman Gorbachev: We have become involved. I received representatives of the Tripartite group and gave my support. We have been interacting with Syria, the Holy See and France. Movement was afoot before the President was killed. I shall continue efforts to support the Trilateral plan. The Middle East and Lebanon -- we must instruct our Foreign Ministers to think of new ways. (S)

The President: [To Baker] You had a comment? (S)

Secretary Baker: Yes. (S)

Foreign Minister Shevardnadze: Let me clarify on Syria. We both support the newly elected President. The relationship between Lebanon and Syria is up to them. They will find a way. (S)

Secretary Baker: Are you not concerned that Syria, with the blessing of the President, will try to clear out Aoun and his enclave. (S)

Chairman Gorbachev: We noticed what you said -- that the Syrians will take action but we don't have that information. (S)

The President: It is not that they are massed for immediate action -- various reports say they might. (S)

Foreign Minister Shevardnadze: The Syrians have said they don't want to be in Lebanon permanently and are acting in the Tripartite spirit. (S)

The President: We moved our embassy and Aoun was upset with us and threatened our people. (S)

Chairman Gorbachev: This is a useful exchange on the Middle East and Lebanon. (S)

Foreign Minister Shevardnadze: One more point. The Mubarak plan. After it appeared there seemed to be potential for U.S.-Soviet cooperation. But we have been consulting less and less. (S)

President Gorbachev: Will Secretary Baker go it alone? (S)

Secretary Baker: You won't see me on a plane to the Middle East. (S)

The President: You and I can't dictate an outcome in the Middle East. If anyone thinks we can -- that will be counterproductive. (S)

Chairman Gorbachev: I agree. We have to cooperate but not to dictate. (S)

The President: We welcome cooperation. Your experts have noticed a change in U.S. policy on this subject. (S)

Secretary Baker: There have been extensive talks with Primakov and Tarasov in connection with the working groups. (S)

Foreign Minister Shevardnadze: It happened after your submitted your plan. It would have been better before submitting your plan. (S)

Chairman Gorbachev: I want to ask Shevardnadze to say words in regards to Afghanistan. (S)

Foreign Minister Shevardnadze: You are leaving the most difficult to me. (S)

The President: Not the most difficult on our agenda. Chairman Gorbachev and I had discussion on what we thought was most difficult. (S)

Foreign Minister Shevardnadze: The Secretary and I had detailed discussions and Gorbachev asked what was its outcome. We need to think about the future instead of bickering about the past. We need to begin practical cooperation and help the Afghans begin an inter-Afghan dialogue. That is the purpose of the conference. That would set up an interim council to discuss and set up free elections to be monitored by the UN. Not only the Kabul regime, but some groups including the King seem to agree. (S)

The second part would be an international conference under the UN. I think this idea deserves attention. (S)

The third part concerns the supply of weapons. I told the Secretary that we are ready to stop arms on a reciprocal basis and a ceasefire to force the parties to the conflict to stop fighting. The sentiment of the field commanders and also in the Peshawar opposition is such that we need to do this. (S)

I have noted the U.S. suggestion about a transitional stage. I believe a transitional stage deserves attention while working around the elements so a constructive dialogue is possible. As for Pakistani violations of Geneva I -- we won't raise it here but it should be discussed quietly. (S)

Chairman Gorbachev: Why am I always returning to this question. In talks with the previous President I remember that we said that a military solution was not possible and that Geneva was a difficult process. But we managed and achieved a withdrawal of Soviet forces and that attempt must be completed by a settlement. (S)

The President: Rest assured, I want to see it settled. We have no desire to see a hostile regime on your border. (S)

Chairman Gorbachev: We also would not want to see an Afghan regime that is hostile to the U.S. either. (S)

The President: Najibullah is a major hang-up. About that the resistance groups are united. They all say that reconciliation is impossible with him there. The problem is the role for the King has gone backwards. (S)

Chairman Gorbachev: On the one hand, you say everyone rejects Najibullah. But in the year since the withdrawal -- his position is stronger and many commanders and tribal authorities are cooperating with him. (S)

The President: Not enthusiastically. If you're saying that there is a ground swell of support for Najibullah then that is news to me. It is the first I've heard of it. (S)

Foreign Minister Shevardnadze: I visited Kabul seven times. I am connected and I can confirm that his prestige and influence is growing. The opposition -- almost everyone is talking to Najibullah. (S)

The decreasing influence of the King is not a good thing. He represents the moderate wing. Who would gain power -- Hekmatyar? That would be a terrible outcome. (S)

The President: There is no love loss between us and Hekmatyar. (S)

Chairman Gorbachev: Let me say more. Speaking realistically -- one problem is the opposition; two is Najibullah himself; three is the Najibullah regime. Let's start the process between them. (S)

The President: The Mujahadeen..... (S)

Chairman Gorbachev: They are putting out an ultimatum. What shall we do? Invade and remove Najibullah? (S)

Secretary Baker: Stop sending him \$300 million. (S)

Chairman Gorbachev: Mr. Secretary you promised that he would collapse in three months. Don't simplify things. (S)

The President: I am surprised to hear that tribal leaders talk with him. (S)

Chairman Gorbachev: Ask Hekmatyar if he is in contact with Najibullah? (S)

The President: We are not in contact with him. (S)

General Scowcroft: We are not preventing contact between the Mujahadeen and Najibullah. (S)

Chairman Gorbachev: Neither are we. We are aware of only a little of what is going on and we have been above board. They are acting in their own way and it is hard to understand. (S)

Secretary Baker: We have to sell the Mujahadeen to get the transition process going. They insist that after it is over -- Najibullah would step down and then the UN suggestion would make sense. Here to fore the Muj wouldn't even discuss Najibullah. We suggested to start with him and that he would then step down and let a legitimate government begin. (S)

Chairman Gorbachev: This can be discussed. (S)

Secretary Baker: If the Muj agreed to have members of the PDPA but not Najibullah and his closest associates? (S)

Chairman Gorbachev: I believe this is something to decide within the framework but the idea of a transitional process is

appropriate and the factions will stay as now. We cannot order Najibullah out. If they decide he should go, O.K. It is the Afghan's process and it is a developing process. No one can force him. (S)

Secretary Baker: Without recognition that there will be a transfer of power the Muj won't come to the table. (S)

Chairman Gorbachev: From whom are they to get this information. If they are so sure of themselves why are they worried. (S)

Secretary Baker: I am not sure they are so confident. For them to consider coming to table they need to know that Najibullah is willing to step down at the end. (S)

Foreign Minister Shevardnadze: It is worth discussion. Your information is not right. The opposition is falling apart. (S)

Chairman Gorbachev: What next? The press conference? A chat? (U)

The President: The statements and then we can take questions. (U)

Any major issues that we didn't talk about? Ethiopia, Mengistu. (S)

Chairman Gorbachev: No we didn't cover that but we can say that the situation in Africa has been touched upon. The Namibian settlement process -- we could mention our satisfaction. Ethiopia could be mentioned -- the Carter mission. (S)

The President: That is unofficial. (S)