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between President Reagan and General Secretary  
Gorbachev December 1987 (4)  
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# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** ERMATH, FRITZ: FILES

**Withdrawer**

CAS 3/19/2009

**File Folder** BACKGROUND BOOK: MEETING BETWEEN  
PRESIDENT REAGAN AND GENERAL SECRETARY  
GORBACHEV, DECEMBER 1987 (4)

**FOIA**

M08-125/5

**Box Number** RAC BOX 2

CHARLES

167

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
67244	BRIEFING PAPER	RE PRESIDENT'S REPORT ON INITIATIVE IN BERLIN	1	ND	B1
67245	BRIEFING PAPER	RE ETHIPIA	1	ND	B1
67246	BRIEFING PAPER	RE BILATERAL COOPERATION CHECKLIST <b>R 12/22/2015 M554/1</b>	2	ND	B1
67247	BRIEFING PAPER	RE CULTURAL AND PEOPLE TO PEOPLE EXCHANGES	1	ND	B1
67248	BRIEFING PAPER	RE US-SOVIET MARITIME BOUNDARY	1	ND	B1
67249	BRIEFING PAPER	RE EMBASSY MANAGEMENT ISSUES	1	ND	B1
67250	BRIEFING PAPER	RE KIEV CONSULATE	1	ND	B1
67251	BRIEFING PAPER	RE FREE FLOW OF INFORMATION <b>R 12/9/2005 NLRRM03-1472 #15</b>	1	ND	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
67252	BRIEFING PAPER	RE SOVIET ECONOMIC PERFORMANCE <i>R 6/10/2010 M125/5</i>	1	ND	B1
67253	BRIEFING PAPER	RE SOVIET INTERNATIONAL ECONOMIC INITIATIVES <i>R 6/10/2010 M125/5</i>	2	ND	B1

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IV. US-SOVIET BILATERAL ISSUES



IV.

U.S.-SOVIET BILATERAL ISSUES

1. Bilateral Cooperation Checklist
2. Cultural and People-to-People Exchanges
3. U.S-Soviet Maritime Boundary
4. Embassy Management Issues
5. Kiev Consulate
6. Soviet Disinformation
7. Free Flow of Information



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BILATERAL COOPERATION CHECKLIST

Cooperation in Basic Sciences

Unable to conclude a Basic Sciences Agreement before the Summit. Draft language for joint communique would, however, note intention to conclude negotiation of a Basic Sciences Agreement at the earliest possible time.

Cooperation in Transportation

Soviets have accepted our proposal for exploratory talks January 18-20.

Cooperation in Energy

No US interest in USSR proposals submitted last year; prepared to consider new proposals.

Fusion Initiative

Since endorsed at the Geneva summit, the US and USSR, along with Japan and the EC, joined to consider cooperating, under IAEA, in design of fusion test reactor.

Global Climate and Environmental Change Initiative

US proposed pursuing cooperation under our Civil Space Cooperation and Environmental Protection Agreements for studies in such areas as ozone depletion.

World Ocean Agreement

US recommended one year renewal; will invite Soviets for talks in January.

Housing Agreement

Cooperation successful; new protocol for permafrost studies to be passed soon for Soviet approval.

Atomic Energy Agreement

Nuclear Regulatory Commission reviewing Soviet draft protocol for new working group on nuclear reactor safety; NRC hopes to conclude its review by March.

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Health Agreement

US refused to consider bilateral AIDS cooperation until Soviet disinformation ends, as promised in August.

Maritime Agreement

October talks in Moscow saw progress on key issues. Soviets also want to discuss access for passenger liners; indicated interest in rapidly concluding new agreement.

Fisheries Agreement

Soviets expressed interest in concluding a fisheries agreement that could be signed at the Summit; conclusion of agreement may hinge on their willingness to meet our conditions for removing a continuing prohibition of Soviet fishing in the US EEZ.

Coast Guard Issues

Soviets still studying revised US draft on Maritime Search and Rescue Agreement; radio navigation talks held August tentatively scheduled to resume at technical level next summer.

Dangerous Soviet Military Activity

Prepared to discuss the range of dangerous Soviet military activities that are of concern; expect Soviets to counter with a list of their own.

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## SOVIET DISINFORMATION

### I. Soviets Wind Down AIDS Disinformation Campaign; Acknowledge Natural Origins of Virus

- Since 1983, Soviet-generated media reports appearing in over 80 countries have alleged that the AIDS virus was developed in US biological warfare labs.
- In August, following US protests, Soviets told American officials that the false charges would cease to appear in Soviet media.
  - o No subsequent appearances of disinformation in Soviet media.
  - o In October, official government newspaper Izvestia published disavowal of disinformation campaign by leading Soviet scientists.
- In October, Soviets co-sponsored UNGA resolution citing natural origins of AIDS and calling for global cooperation to combat the disease.
- However, AIDS disinformation continues to appear elsewhere: 31 appearances in 23 countries since August.

### II. Other Disinformation Campaigns Continue:

- In October, a Soviet publication (Sovetskaya Rossiya) defended the following worldwide campaigns, claiming they are based on Western, including US, sources and that Soviet media "have the right to report different views."
  - Jonestown Massacre was a "CIA Crime"
    - o In early 1987, Soviet Ministry of Justice published a 223-page book, The Death of Jonestown -- Crime of the CIA charging that the CIA perpetrated the 1978 Jonestown massacre in Guyana.
  - US Responsible for Assassination of Olof Palme
    - o A Soviet government-produced "docu-drama" insinuating US complicity in the assassination of Olof Palme was shown on Swedish and Soviet TV in 1987, and received widespread media attention.
  - US Producing an "Ethnic Weapon"
    - o Since 1983, Soviet media have alleged that the US is producing an "ethnic weapon" that will kill only non-whites.

- o Director of Soviet news agency Novosti defended the truth of these charges in a meeting with USIA Director Wick in June.





FREE FLOW OF INFORMATION (FFOI)

I. BACKGROUND

- o In Reykjavik, Gorbachev and Yakovlev raised possibility of "trading" end to VOA jamming for access to US medium wave stations. USIA Director Wick turned discussion to broad range of FFOI issues.
- o Director Wick and Yakovlev exchanged letters, met in Moscow. US proposed formal talks on full range of FFOI issues. Yakovlev said individual Soviet ministries would respond to specific proposals.
- o May 23, Soviets ceased most VOA jamming. Jamming continues of some VOA languages as well as RFE/RL. At same time, Soviets began AM broadcasting from Cuban transmitter, interfering with some US stations including, on occasion, the President's old station in Des Moines. Recently began broadcasting in Spanish from Cuba, so far without interference to US stations.
- o US protested to Soviets and Cubans on the harmful interference and took matter to International Telecommunication Union (ITU). Soviets claim it is a US-Cuban issue; owe Wick letter on the subject.

II. SOVIET VIEWS AND OBJECTIVES

- o Soviets seek to expand unilaterally their already considerable access to our public.
- o As part of PR campaign, hope to portray USSR as increasingly open while maximizing propaganda benefits from alleged USG restrictions on access to our public.

III. US VIEWS AND OBJECTIVES

- o US will not "trade" for an end to Soviet jamming of foreign broadcasts; it must end because it is illegal.
- o We seek to broaden our discussions with the Soviets to cover the full range of FFOI issues, emphasizing substantial imbalance in our access to the Soviet public. Proposing that Director Wick lead discussion of media reciprocity issues at summit.
- o No objection in principle to Soviet broadcasts here from Cuba. Broadcasts that interfere with existing US stations, however, contravene ITU and are counter to aim of improved communication between our peoples.



V. U.S.-SOVIET ECONOMIC ISSUES

1. Soviet Economic Performance
2. Soviet International Economic Initiatives
3. U.S.-Soviet Trade
4. Grain Trade
5. Fisheries
6. Textiles



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SOVIET ECONOMIC PERFORMANCE

- o Economic turmoil is slowing growth in 1987. GNP will rise only 1 - 1.5%, less than the pre-Gorbachev average and well below the strong 3.8% pace of 1986. Turmoil results from harsh winter weather, new inspection procedures for industrial output, new managerial and financial arrangements, and massive industrial retooling.
- o Industrial performance is poor. Overall output will rise less than 2.5%, versus the 4.3% target. Energy sector is doing well, but output of basic materials was slowed by harsh winter. Crucial machine-building sector is far below plan in both quantity and quality of output, calling into question Soviet ability to succeed in what is top-priority focus of Gorbachev's modernization drive.
- o Agriculture is having a second good year. Overall output will nearly match the record level of 1986, despite less advantageous weather. Productivity gains are producing good results in grain, meat, milk, and eggs. Unless quality proves a problem, another record forage crop will reduce need to import grain for livestock feed.
- o But Soviet consumers have little to cheer about. State retail sales are up only 1% through September, compared to 3.5% annual average in 1981-1986. Soviet leaders are concerned that slow growth in consumption could undermine public support for economic reforms. They are trying to accelerate improvement in food and durable goods supply and distribution, and promising more attention to consumers next year.
- o Soviet trade balance has improved but hard currency is still tight. At midyear the USSR enjoyed a \$1.2 billion hard currency trade surplus, versus a deficit of \$1.5 billion in early 1986. Earnings rose 14% thanks to higher volume and value of oil exports and higher arms sales (on credit) to Third World; spending fell 8% due to less need for grain imports and cutbacks in industrial imports. Low levels of foreign borrowing and gold sales suggest Soviets will keep tight lid on imports in second half of year.
- o Annual plan for 1988 keeps targets unrealistically high: GNP and industrial output are to rise 4% and 4.5% respectively over planned - but unachieved - 1987 levels. Such targets fit the 1986-1990 Five Year Plan mold, but don't allow for the inevitable disruption of the comprehensive economic reform program announced in mid-1987.

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SOVIET INTERNATIONAL ECONOMIC INITIATIVES

- o Designed to assert international economic role commensurate with superpower status, give Moscow more say in international economics, buttress domestic reforms, improve the balance of payments, and reduce technological lag.

GATT Membership

- o Stated goal is to participate in formulation of international trade policy, expand trade with GATT members, acquire experience for possible eventual full membership.
- o In August 1986 Soviets sought to participate in Punta del Este round of multilateral trade negotiations. The bid failed as most GATT members reacted negatively, but Soviets still pursue participation as a long-term objective.
- o The US strongly opposes Soviet participation in GATT fora:
  - Soviet centralized economy and non-market trade system are incompatible with GATT's underlying free market-oriented philosophy.
  - Without substantial changes in Soviet economic and trade systems, Soviet participation offers little to GATT members. The Soviets could not fulfill GATT's membership commitments.
  - Some changes pursued by Gorbachev suggest Soviet practices might eventually move in direction of greater compatibility with GATT norms, but it is far too soon to draw more definitive conclusions. We should await outcome of these changes.
  - US shares concern of other GATT members that Soviet participation could lead to politicization of an economic forum that plays a central role in world trade, thereby undermining its efficacy.

Foreign Trade Sector Reorganization

- o Soviet goal is to increase and diversify exports, restructure imports, improve access to Western capital and high technology, some of which may seem innocuous but in fact have security implications (e.g., air traffic control equipment).
- o Central to effort is greater autonomy for selected ministries and enterprises, including self financing and

more direct participation in foreign trade: legislation granting autonomy passed last January, but implementing measures not yet enacted.

- o Ministry of Foreign Trade and many foreign trade organizations restructured; Foreign Economic Commission (under Council of Ministers) created to oversee changes and coordinate activities of trade entities.

#### Joint Ventures with Western Firms

- o Goal is to tap Western capital and management, marketing, and quality control methods, broaden access to Western technology, increase exports and substitute for imports.
- o Legal framework was established in January 1987. Law has flexibility to tailor regulations to a given project, but restrictions and lack of clarity prompt Western concern over transfer of profits, management control, protection of Western partners' rights.
- o Western firms interested but skeptical. Most firms discussing joint ventures with Soviets already do business there. Many see joint ventures as entree into Soviet domestic market, few interested in promoting Soviet exports to compete with their own products in third countries.
  - Soviets have signed 14 joint ventures to date, mostly with West European firms.
  - Two joint ventures recently signed with U.S. firms, Combustion Engineering and Occidental Petroleum.
- o To create attractive conditions for Western investment, Soviets are being pressed to reduce barriers against outside world and central political controls over economic decision-makers.
- o Any joint venture must comply with US and COCOM export controls. Commercial risks must be borne exclusively by the private sector.

#### United Nations Activism

- o Each year since 1985, in context of their proposals for a "Comprehensive System of International Security", Soviets have introduced to the UN General Assembly, and won majority support for, resolutions on "International Economic Security". These advance Soviet and Third World rhetoric along "New International Economic Order" lines.
- o The US opposes such Soviet resolutions as extremely vague, duplicative of the purpose and role of the UN Charter, and wasteful of the UN's scarce time and resources.