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Matlock

8629

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

File

December 8, 1986

ACTION

MEMORANDUM FOR ALTON G. KEEL

THRU: *AP* STEPHEN I. DANZANSKY

FROM: *AP* ALEXANDER H. PLATT

SUBJECT: Memorandum of Conversation of the President's Meeting with Soviet Foreign Trade Minister Aristov

Attached at Tab I is a memorandum of conversation of the President's meeting with Soviet Foreign Trade Minister Aristov at 1:15 p.m. on December 5.

AP
Jack Matlock concurs.

RECOMMENDATION:

That you review and approve the attached memorandum of conversation (Tab I) for record purposes.

Approve *WMP* Disapprove _____

Attachment
Tab I Memorandum of Conversation

cc: Ty Cobb

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Soviet Foreign Trade Minister Aristov

PARTICIPANTS: U.S.

The President

Secretary of State George Shultz

Secretary of Commerce Malcolm Baldrige

Ambassador Arthur Hartman

Alton G. Keel, Acting Assistant to the President
for National Security Affairs

Under Secretary of Commerce Bruce Smart

Jack Matlock, NSC Staff

Alexander Platt, NSC Staff

Dimitry Zarechnak (interpreter)

USSR

Foreign Trade Minister Boris Aristov

Deputy Foreign Trade Minister Vladislav Malkevich

Ambassador Yuriy V. Dubinin

Valery Churken (interpreter)

DATE, TIME December 5, 1986, 1:15 p.m.-1:47 p.m.
AND PLACE: Oval Office

Following the photo opportunity, The President opened the meeting by saying that he understood the purpose of Minister Aristov's visit to Washington and he hoped that the U.S. and USSR could expand trade to our mutual benefit. The President noted this was a critical time for U.S.-USSR relations, that we had made much progress in Reykjavik and that we should continue to work from that basis. The President said he asked Minister Aristov to extend his greetings to General Secretary Gorbachev and said he hoped we could continue what we started in Reykjavik.

Minister Aristov said that he would extend the President's greetings to the General Secretary. Aristov thanked the President for this opportunity to meet. He noted that he and Secretary Baldrige had been having productive discussions on trade and that he was satisfied with the atmosphere at the Joint Commercial Commission meetings. Aristov noted that last year Secretary Baldrige had visited Moscow twice, and that Gorbachev had met with him twice, as well as spoke to U.S. businessmen.

Aristov said he could say candidly that he and Baldrige had discussed that the opportunities for U.S.-USSR trade were not fully used. He noted that USSR trade with Finland was three

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Aristov said he could say candidly that he and Baldrige had discussed that the opportunities for U.S.-USSR trade were not fully used. He noted that USSR trade with Finland was three

times as great as with the U.S. Aristov suggested that this was a problem the U.S. and USSR must jointly address. Increased trade will be important to the entire relationship.

Aristov stated that the USSR buys six or seven times more from the U.S. than it sells. He said the USSR would like favorable conditions -- normal conditions -- for their goods to come to the U.S. market. Aristov said to the President that if the President could contribute to normalizing trade, it would be good for both nations.

Aristov said that before he left Moscow he had spoken to Gorbachev. Gorbachev had said that there were many important things in our relationship, some of mutual benefit. Trade was one of these, and that trust can be more easily built in this area than in other areas.

Aristov said that Gorbachev also referred to Reykjavik. The General Secretary said that the development of our relationship needed impetus, such as Reykjavik.

Aristov continued that Gorbachev said the USSR came to Reykjavik with specific proposals, that they remain in force. The USSR is looking for cooperative efforts and he hoped that is true on our side.

Aristov continued that Gorbachev noted it was a difficult time, but that the USSR still looked for constructive alternatives. He said Gorbachev also said the main principle of the relationship is equality in all relations. An absence of equality is an obstacle to improvements in U.S.-Soviet relations.

Aristov said he would pass the President's words on to Gorbachev, to whom he would report when he returned to Moscow.

Aristov continued that in the USSR much attention was given to the Joint Commercial Commission and its progress considered in all seriousness. The climate of the meetings with Secretary Baldrige and other members of the delegation was good -- a calm atmosphere where we were trying to find solutions.

Aristov said there was a saying that the long road is made up of short stretches and that this applies to trade as well.

The President said that with respect to trade we share a desire for mutual improvement; however, that in our country the government is influenced by public opinion. The government is the servant of the people. There are two areas where the current status of relations prohibited changes. These are the agreements that have not been fulfilled under the Long Term Grain Agreement and even more important, a subject he spoke to the General Secretary at length about, Soviet emigration policy.

The President pointed out that the United States is a melting pot and that one out of eight of our citizens had relations in the Soviet Union. As long as there is a condition where there are limitations on their ability to see or contact these relations, the people will resist government efforts to see if those conditions could change.

The President concluded that he hoped that the U.S. and USSR could continue to discuss these issues and the U.S. shared with the Soviets a desire for more open trade.

Aristov responded by thanking the President and then saying with respect to the Long Term Grain Agreement that the Soviets had purchased forty-four million tons of grain over the last three years, including beans, in excess of the contract requirements. Aristov continued, with respect to the humanitarian issue, that the Soviets had proposed a conference in Moscow to discuss this issue and that he would like it if the President would support such a conference.

Secretary Shultz pointed out that in describing Soviet purchases under the Long Term Grain Agreement it was not possible to aggregate over three years. The agreement refers to purchases within a year, in each growing season.

The meeting ended at 1:47 p.m.