MR POWELL

11 December 1984

TALKING TO GORBACHEV

It would be worth first examining what we think Gorbachev himself will want out of the visit. As I see it, he will want to establish personal contact with an important Western leader, whom the Russians will regard with a mixture of respect and curiosity, because of her personal qualities, her recent activity in East/West relations and her close relationship with President Reagan. Secondly, he will want to put over to her the Soviet view on East/West relations and arms control and from her responses help prepare the Soviet position in the January talks between Shultz and Gromyko. Thirdly, he will offer improved bilateral relations with the inducement of more trade. He will probably assume that this last is our main objective. He will be very alive to any indications of European/American differences. Much of what he says will be carefully prepared and formally presented, and he will be determined to say it, if need be regardless of the context.

2. We, for our part, have certain general aims. We want to project our confidence in our political and economic systems and in the solidarity of our alliances; our awareness of the deep gulf between our world and that of the Russians; but despite that our profound desire for stability and better

CONFIDENTIAL

East/West communication and understanding; also our knowledge of US pacific intentions. All this has to be conveyed without giving any impression of being over-anxious or of wanting to run after the Russians.

- 3. However much we want to break the mould and have a free-ranging discussion, the talks are likely to follow an orthodox pattern. The Russians will want it so and we too have our obligations: we shall have to address the general state of East/West relations and we shall have to address arms control. On the latter we should bear in mind that for the Russians space will be the key. They will want to stave off run-away American technological advances and if possible leave themselves in an advantageous position over Asats. In return for assurances on space they may be ready to negotiate on offensive missiles. The Americans will be particularly interested in our reports of this part of the talks.
- 4. I do not recommend the Prime Minister spends much time on trade. This has been too much the theme of the past, eg the Wilson visit a high level visit oiled by credits and promise of contracts. It suits the Russians; it encourages them to think that they can divide and rule. I suggest that trade should be pusued later in the week by Mr Channon and that the Prime Minister should concentrate on the central international security issues.

CONFIDENTIAL remains the question of additional

- 5. There remains the question of additional conversational themes, particularly over lunch. I think mutual perceptions of security, the impact of technological change on society; the future of the Soviet economy; and allocation of resources, to defence or elsewhere, are all themes that are good in themselves and might open up interesting avenues
- 6. We should not expect too much from the encounter: time will be short; courtesies and interpreters will make their inroads. There may be some interesting insights but there will be no conversions. Much of the value will lie in a mutual sizing-up and putting of faces to names.

le

PERCY CRADOCK