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10 DOWNING STREET

*From the Private Secretary*

16 December 1984

Dear Len,

PRIME MINISTER'S MEETING WITH MR. GORBACHEV

I enclose a record of the Prime Minister's conversation this afternoon with Mr. Gorbachev, together with a copy of an oral message from President Chernenko which Mr. Gorbachev delivered. The Prime Minister undertook to reply to this and I should be grateful for a draft in due course, after her visit to the United States.

After the meeting, the Prime Minister and Mr. Gorbachev agreed that they would say to the press that they had had lengthy and valuable talks on a very friendly and constructive basis. Both had different outlooks on some matters but shared particular concern with securing peace and arms reductions on the basis of balance and mutual security. Mr. Gorbachev had conveyed to the Prime Minister a message from President Chernenko which set out the Soviet Union's attitude to the positive development of Soviet/British relations and to problems of international concern, as well as an invitation to a dialogue. The Prime Minister had thanked Mr. Gorbachev warmly for the message and recalled the constructive atmosphere of her talks in Moscow with President Chernenko last February. She had asked Mr. Gorbachev to convey her greetings to President Chernenko and to say that she would be replying in detail to his message. Both the Prime Minister and Mr. Gorbachev were anxious to cooperate to achieve the mutual trust and confidence that would be needed to make progress on arms control and other international issues.

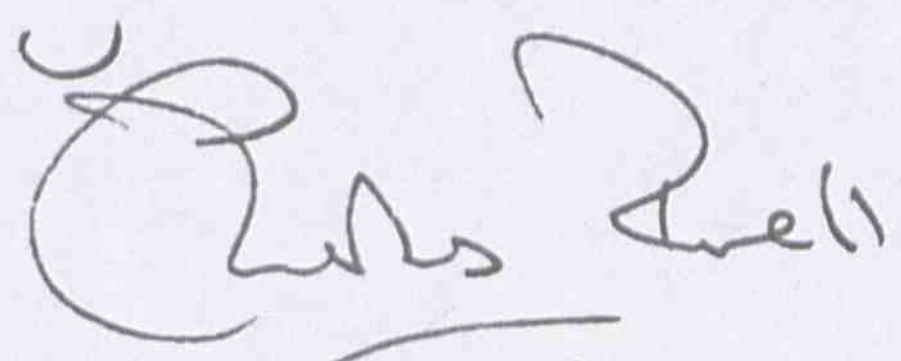
The Prime Minister and Mr. Gorbachev had a lively discussion over lunch, of which Mr. Bishop will be making a record. The Prime Minister raised the question of people such as Sakharov, Shcharansky and Soviet Jews who wished to leave the Soviet Union. She and Mr. Gorbachev agreed that, if asked by the press about this, she would confirm that the matter had been raised and that Mr. Gorbachev had referred to existing Soviet legislation but had nothing new to add on the subject.

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The Prime Minister also raised the question of the miners' strike and assistance to the National Union of Mineworkers from the Soviet Union. It was agreed that if the press enquired about this, they should be told that Mr. Gorbachev had replied that, so far as he was aware, no money whatsoever had been transferred from the Soviet Union to the NUM. This was an internal matter for the United Kingdom and had nothing to do with inter-state relations.

You asked me to indicate to what extent we could brief our European partners on the Prime Minister's talks. The Prime Minister herself has instructed that only a very limited briefing should be given. I shall write to you further about this as soon as possible.

I am copying this letter and enclosures to Richard Mottram in the Ministry of Defence, and to Richard Hatfield and Bryan Cartledge in the Cabinet Office. I am also copying the section on bilateral issues to Steve Nicklen in the Department of Trade and Industry.

Yours sincerely,  
  
(C.D. POWELL)

Len Appleyard, Esq.,  
Foreign and Commonwealth Office.

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RECORD OF THE MEETING BETWEEN THE PRIME MINISTER AND  
MR. M.S. GORBACHEV, MEMBER OF THE POLITBURO AND SECRETARY OF  
THE CENTRAL COMMITTEE OF THE CPSU, AT CHEQUERS ON SUNDAY  
16 DECEMBER AT 3.00 PM

Present:

Prime Minister	Mr. M.S. Gorbachev
Foreign & Commonwealth Secretary	Mr. L.M. Zamyatin
Mr. C.D. Powell	Mr. A.N. Yakovlev
Interpreter	Interpreter

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The Prime Minister said that she wished to extend a formal welcome to Mr. Gorbachev. She had been delighted when she heard that he had accepted her invitation.

East/West Relations and Arms Control

The Prime Minister said that she earnestly believed that the present generation of political leaders had an opportunity to make progress on arms control and related issues which might not be repeated. Although the Soviet Union and the West had different political systems, they also had important interests in common. The last two or three years had not been happy ones for relations between East and West. But, the Prime Minister continued, she had decided following a seminar on East/West relations some 15 months ago that she must try to do something to end the difficult situation between East and West. Subsequently she had paid a visit to Hungary. She had hoped that views which she expressed there would also find their way to the Soviet Union. Then tragedy had intervened with the death of Mr. Andropov and she had visited Moscow for the funeral. She had been encouraged to find that she had got on very

well with Mr. Chernenko.

The Prime Minister continued that both she and Mr. Gorbachev well knew that there was no point in trying to convert the other away from their respective political systems. These were different and would remain so. The right course was to deal with each other on the basis of mutual respect and acknowledgement of the differences which existed. The Communist system in the Soviet Union and the Warsaw Pact countries would remain. Any changes would come about only if people in the Soviet Union or Eastern Europe wanted it. It was not a matter for anyone else. Similarly, the political system in Western countries would remain the same as it was now. We were convinced that our system suited us best. The Soviet system no doubt suited them best. Accepting all this, it was essential in the interests of both peoples to try to diminish hostility and the level of armaments. Both sides were spending too large a proportion of their national income on armaments which both had in abundance. It was vital that both sides should feel secure within their own borders. But with that achieved, she hoped that there could be an increase in contacts across borders between peoples.

The Prime Minister said that when she had visited Hungary, she had found the Hungarian Government concerned that she might try to undermine their position as a loyal member of the Warsaw Pact. They had gone to some lengths to make clear that they were and would continue to be a loyal Socialist country. She had understood that. In the same way Britain and the United States were very close and Britain was a loyal member of the Western Alliance. Our unique relations with the United States gave us a bigger influence within the Alliance than any member except the United States itself, as well as a capacity to speak more easily and frankly to the United States than other governments were able to do.

Mr. Gorbachev said that he had found the Prime Minister's introduction interesting and a good basis for discussion. He was grateful for the welcome given to him and the trouble taken over his programme. He particularly appreciated the fact that he was starting his visit with talks with the Prime Minister. This would set the tone for the visit as a whole and gave rise to hopes that it would be useful as well as interesting.

Mr. Gorbachev continued that he had met with Mr. Chernenko shortly before his departure and had been asked to convey an oral message to the Prime Minister. He then read it out. I enclose a copy.

The Prime Minister said that she was very appreciative of the message. She had felt that her talk with Mr. Chernenko in February had offered a basis for future contacts. Picking up a point from Mr. Chernenko's message, the Prime Minister said that the West would not be seeking unilateral advantage at the meeting between Mr. Gromyko and Mr. Shultz in Geneva. Our aim would be to achieve a balance which offered security to both sides. The West feared that the Soviet Union would get a scientific and technological lead in a particular area of weapons development and that the balance would be upset. No doubt the Soviet Union had the mirror image of this perception. For example, the Soviet Union had been the first country to develop an ASAT capability. The United States had responded with the Homing Overlay Experiment. The risk now was that, unless the two sides could agree on how to deal with the problem of weapons in outer space, there would be a new spiral in the arms race. This would take resources which ought to go to improving the standard of living of people. The Prime Minister continued that it was clearly not feasible to think in terms of stopping research into space-based systems. The critical stage came with translating the results of research

into the production of weapons on a large scale.

The Prime Minister said that she would be interested to hear how Mr. Gorbachev saw the Geneva talks shaping up. Clearly it would be necessary to settle questions of procedure at the beginning. An umbrella concept seemed to be envisaged which would link negotiations about weapons in space with talks on strategic nuclear weapons and INF.

Mr. Gorbachev said that he would deal first with some of the Prime Minister's general points. He had found it interesting to hear the Prime Minister's ideas on the international situation and the requirements which it imposed upon leaders on both sides. He and the Prime Minister would have different assessments for the reasons which led to the present situation. Each knew the other's views on this and there was no point in repeating them. The important fact was that both of them assessed it as complex and dangerous. If the present opportunity was lost, it would be enormously difficult subsequently to improve the situation. If decisions were to be taken they must be taken now. Otherwise there would be serious negative consequences for all concerned. His impression was that the Prime Minister accepted this basic premise.

Mr. Gorbachev continued that he had studied the Prime Minister's recent speeches. He did not agree with all she said. But he did agree in recognising the importance of the point which had been reached in world affairs. It was necessary to analyse meticulously all the factors which affected the international situation and to try to bring together respective views. Upon this turned the prospects of avoiding a holocaust. He had recently been reminded of Palmerston's remark that Britain had no eternal friends or enemies but only eternal interests. He agreed with the philosophy behind this. But it carried the corollary that other countries had their own interests as well. There

had been a time when the interests of other countries were disregarded. But we were no longer in the 1950s and 1960s: it was a different world. The Socialist countries had their interests, the West theirs, the developing countries their own aspirations. This was a fact of international life. It was hard to pursue an international policy if one flouted the interests of others. He found himself in agreement therefore with the Prime Minister on the need for dialogue, contact and discussions. The process would not be easy. But we had to learn to live in the real world, not the world of illusions.

Mr. Gorbachev recalled that in the 1970s the Soviet Union and the United States had been able to get along together. Important agreements had been achieved in those years to limit the arms race and to complete the settlement of problems left over from the Second World War at the Helsinki Conference. East and West had co-operated to find solutions of benefit to both. He recalled Mr. Brezhnev's speech at the signing of the Helsinki Final Act. One needed to get back to that sort of atmosphere, which was why he found the Prime Minister's ideas on the necessity for a political dialogue consistent with Soviet thinking.

Mr. Gorbachev said he wanted to move on to deal with the arms race and what needed to be done to curb it. The Prime Minister had set out her ideas in her speeches, including that at the Lord Mayor's Banquet. She had shown that she recognised the devastating nature of modern weapons. He would like to show the Prime Minister something which his advisers had found for him, a full page diagram from the New York Times of 22 February 1984; this compared the three million tonnes of explosives used in World War II with the fifteen billion tonnes of explosive power now available to the Super Powers. Only a fraction of this amount would be needed to bring about a nuclear winter. So he agreed with the Prime Minister that there were far more

nuclear weapons than necessary.

The Prime Minister said that she was not sure how relevant the concept of nuclear winter was when set against the destruction, incineration and death which would precede it. The purpose of nuclear weapons was to deter war. She felt that they had given us a greater degree of protection from war than we had ever before known. But we could have that safety at a far lower level of weaponry than we had now.

Mr. Gorbachev said that he wanted to express the thought that if both sides continued to pile up weapons in ever increasing quantities it could lead to accidents or unforeseen circumstances. With the present generation of weapons, decision making time could be counted in minutes. There was a Russian proverb that said: "Once in a year even an unloaded gun can go off". If one had to have nuclear weapons it must be at the lowest possible level.

Mr. Gorbachev continued that, as regards the forthcoming talks in Geneva, he could say that it had not been an easy decision for the Soviet leadership to attend. He would add that in certain circles questions were asked whether it was right for the Soviet Union to go. But the most fundamental question was whether or not to trust the Americans. If one took the four years of the first Reagan administration, it had to be acknowledged that not a single step forward had been taken in Soviet/US relations. Rather, much that had been created with such great effort under earlier Republican Administrations led by President Nixon and President Ford had been dismantled. Political dialogue, trade and economic relations, cultural relations, had all been reduced to a minimum or curtailed altogether. The United States had demonstrated that it could not be trusted, for instance by its failure to ratify SALT II. But despite all this, when the Soviet leadership had come to



consider how to respond it had, on the initiative of Mr. Chernenko, given priority to the loftier ideal of preserving peace. The Soviet Union would be ready to come to the talks in Geneva with serious new proposals. He asked the Prime Minister particularly to heed the words of Mr. Chernenko when he said that the Soviet Union would be ready to agree to the most radical measures. But once one allowed an arms race in outer space, the consequences would be unpredictable and control virtually impossible.

So, to sum up, the Soviet Union would go to the new talks with a great deal of constructiveness. That was the unanimous wish of the Soviet leadership. It was difficult, however, for them to judge what was going on in the Reagan Administration. Much of what they heard was a source of concern, especially the activities of the group round Mr. Weinberger and Mr. Perle. They were not just commentators, they were members of the US government. The Prime Minister had said earlier that she believed that the Americans wanted changes for the better in Soviet/US relations. He wanted to put a question to the Prime Minister: what was the basis of her assessment? Her knowledge of US policies and the details of them? Or was it just a general political assessment?

The Prime Minister said that it was a mixture of these. Mr. Gorbachev had mentioned the question of trust. This was something which concerned both sides. Each wanted to be convinced that the other was sincere. It was not enough simply to make a bald assertion of sincerity. One had to look to history and the record of the countries concerned. The United States had never shown any desire to dominate the world. Moreover, at a period when they had enjoyed a monopoly of nuclear weapons, they had never used that monopoly to threaten others. They had used their power sparingly. They had shown outstanding generosity to other countries. There had followed the traumatic experience of

Vietnam, a war impossible to win and one which the United States should never have got into. Mr. Gorbachev had quoted the failure to ratify the SALT II Agreement as evidence of American untrustworthiness. The actual reason for failure to ratify had been the Soviet invasion of Afghanistan. This had been the first time since the Second World War that one of the great powers had simply marched into an independent country. It had been an event of a totally different nature to anything else experienced up until then.

The Prime Minister continued that President Reagan had restored confidence to America. At the same time he saw the Soviet Union as a country combining immense patriotism with the aim of the world-wide victory of the Communist system. She was being very candid but one had to recognise that the aim of extending Communism throughout the world inevitably caused fears and suspicions.

The Prime Minister continued that she knew President Reagan very well and could talk frankly about him. The last thing he would ever want was a war. He was a passionate believer in the right of people to be free to pursue their own lives in their own way. His first priority was to restore America's confidence and ensure that she was strong enough to defend her way of life. He had achieved that and his goal now was to make certain that there was never another war. He had been bitterly disappointed during his first term at the failure of Mr. Brezhnev to respond appropriately to the handwritten message which he had sent him setting out his views and wish for a meeting. He had pinned all his hopes on that letter and had looked for a bold response. But she felt that President Reagan was now ready to have another go. He had four more years in office and he would want to show early progress during them towards reducing the risk of war. He had public opinion behind him in this. It was also true that he had a dream, expressed through the Strategic Defence Initiative,

of being able to rid the world of nuclear weapons. Sadly, it was not a viable dream because the process of acquiring a ballistic missile defence would inevitably lead to a fresh twist in the arms race spiral and encourage the development of other types of offensive nuclear weapons. In any case, the knowledge of how to build nuclear weapons could not be disinvented.

The Prime Minister said that she thought that progress in reducing East/West tension and in achieving arms control would be the main objective of President Reagan's second Administration. She agreed with him in believing that a reduction in armaments could be achieved, despite all the problems of linkages. But there must be more than just armaments talks. There had to be more contacts which enabled each side to make its own assessment of the sincerity of the other and to build up confidence and trust. Sir Geoffrey Howe recalled hearing President Reagan say that there was nothing he would like better than to see peace prevail. He had felt that the President had been speaking from the heart. He had subsequently heard President Chernenko say the same thing in Moscow and once again had felt that he too had been speaking from the heart. He knew that the Prime Minister shared this same desire. As she had said in a speech at a Party Conference: no-one could be as close to the control of these dreadful weapons without showing the desire for peace.

Mr. Gorbachev took issue with the Prime Minister's assessment of United States' intentions. For instance, National Security Council documents recently published revealed that the Americans had plans to destroy large numbers of Soviet cities at the time when they had enjoyed a nuclear monopoly. The fact that it had not happened was owed to the Soviet decision to acquire nuclear weapons rather than any peace-loving characteristics of the Americans. One could not view the US record through rose-

tinted spectacles. The Prime Minister said that no-one should use rose-tinted spectacles. The essence of security was balance and mutual respect. Each side had to make its own judgement of the other. We might have better assessments of each other if there were more meetings like the present one and more visits at many different levels. Mr. Gorbachev said that he accepted this point. He recalled that over lunch he and the Prime Minister had come to the realistic conclusion that each nation must be allowed to have the ideology and political system of its choice and left to solve its own problems. There should be no export of revolution or of counter-revolution. But he was not sure that the United States shared this perception. A recent speech by Mr. Shultz appeared to say that diplomacy should go hand in hand with force. The United States seemed to claim the right to use force even where they had no specific interests. With the Soviet Union and the United States standing at the threshold of very important talks, a constructive approach was needed to enable them to be conducted in a business-like spirit and lead to progress.

Mr. Gorbachev continued that he was worried by what the Prime Minister said about President Reagan's daydreams in connection with space-based systems. Things were being said in the United States which caused alarm and concern. The Prime Minister would have noted that in his message, President Chernenko had singled out the need to avoid the militarisation of outer space as a priority. If the hullabaloo about the Strategic Defence Initiative in the United States was just an attempt to set up a bargaining situation, then there was no problem. The Soviet Union could bargain and compromises could be found on the basis of equality of security. But if, on the other hand, talks on space were held without a proper sense of responsibility and without the interests of both sides being taken into account, then it would be another matter. He wished to point out that the interests of the West European countries

were also affected. The United States' position, vis-a-vis Western Europe, on the Strategic Defence Initiative was an egotistic one.

Mr. Gorbachev said that he would sum up thus. We were living at a very significant moment in history. The preliminary talks between Mr. Gromyko and Mr. Shultz would determine the framework and the subject matter of further talks. Success would depend on whether both sides went to Geneva ready for responsible political decisions and with constructive proposals.

#### Bilateral Relations

Mr. Gorbachev proposed a brief discussion of bilateral relations. The Soviet Union wished for wider exchanges in the trade and economic field and in cultural, scientific and technological relations. Britain had once been the Soviet Union's first trading partner but was now reduced to seventh or eighth. Good relations with some British companies continued. But he believed that there was scope for expansion and that the volume of trade could be increased by forty or fifty per cent, even in quite a short time. To achieve this it was necessary to take account of the specific characteristics of the Soviet economy, which was a planned economy. The Soviet Union was now working on plans for its trade and economic relations with other countries for the next ten years. It needed to modernise the equipment and technology of its factories, alongside the reform of industrial management and control. They were now at a crucial point in this process. Some of their technical needs would certainly be satisfied from abroad, both from Socialist countries and from the West. There were particular interests such as gas turbines, on which they had had good experience with John Brown. Special attention would be given to development of the chemical industry. The Soviet Union valued British experience in this field.

Proposals should be worked out.

The Prime Minister said that she had studied the trade figures and welcomed the increase in British exports to the Soviet Union in recent months. She agreed that the two countries should work together to increase these further. To do so could make an important contribution to increasing trust and confidence. She had heard that the Soviet Union might have a particular interest in turn-key contracts. Mr. Gorbachev confirmed this. The Prime Minister continued that Mr. Gorbachev would be seeing Mr. Channon later in the week and she hoped he would pursue the discussion with him. Mr. Gorbachev concluded that he and the Prime Minister had reached understanding on this point and should proceed on the basis he had outlined.

Mr. Gorbachev said that he feared that he had wrecked the Prime Minister's Sunday afternoon by speaking so long. There was a custom of hospitality in the northern caucasus from where he came and a proverb which said: "Mountain folk cannot live without guests any more than they can live without air. But if the guests stay longer than necessary, they choke." The Prime Minister asked Mr. Gorbachev to thank President Chernenko warmly for his message, to which she would be replying. The conclusion which she drew from their meeting was that Britain and the Soviet Union should seek greater co-operation and friendship on the basis of mutual respect and mutual security.

The meeting ended at 5.50 pm.

C.D.P.

16 December 1984