

PERSONAL AND CONFIDENTIAL

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

14 October 1986

I enclose a copy of my note of the Prime Minister's meeting with Mr. Karpov this morning. I should be grateful if you could handle it on a very restricted basis and not send it as such to Washington. (Since our Embassy will not themselves have a copy it will be invidious if the State Department were to be in the possession of one.)

I enjoyed seeing you this morning.

(Charles Powell)

His Excellency The Honourable Charles Price II

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14 October 1986

From the Private Secretary

Dear Colin,

PRIME MINISTER'S MEETING WITH MR. KARPOV

The Prime Minister met Mr. Karpov, the Chief Soviet negotiator at the Geneva disarmament talks, for one and a half hours this morning. Mr. Karpov was accompanied by the Soviet Chargé d'Affaires and an interpreter.

Introduction

Mr. Karpov said that he had come on Mr. Gorbachev's personal instructions. Mr. Gorbachev had asked him to convey warmest regards and best wishes to the Prime Minister for her birthday, and to brief her on the outcome of the Reykjavik summit. He hoped that their talk could be in the spirit of the informal and confidential exchanges which had been established between the Prime Minister and Mr. Gorbachev.

Mr. Karpov said that Mr. Gorbachev was looking forward to seeing the Prime Minister in Moscow early next year. The Prime Minister said that it would soon be necessary to discuss dates.

Reductions in Nuclear Weapons

Mr. Karpov said that the Soviet side had gone to Reykjavik in the hope of achieving concrete results. They had tabled specific proposals which could have served as the basis for Mr. Gorbachev's visit to Washington. An historic agreement to eliminate nuclear weapons had been within grasp. The Soviet Union had been prepared to make major concessions to secure such an agreement. For instance, they had proposed 50% reductions in ICBMs, SLBMs and heavy bombers, while leaving aside the US Forward-Based Systems. These would be regarded as non-central systems, to be dealt with in subsequent negotiations. The Soviet approach was based on preserving parity but at lower levels of offensive weapons. But they would also have been prepared to go beyond that stage to the elimination of strategic offensive weapons on both sides in ten years.

The Prime Minister agreed that reductions had to be balanced. But it was not just a question of achieving balance in particular areas. It was important to take account of the

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overall balance of nuclear, chemical and conventional weapons which would be established if deep reductions in offensive strategic weapons were achieved. The Soviet Union enjoyed a heavy preponderance in chemical and conventional weapons which posed a threat to Europe. Nuclear weapons were an essential part of our defence against that threat. She was therefore sceptical whether complete elimination of nuclear weapons was a feasible or desirable objective, although she supported the goal of deep reductions. Mr. Karpov said that the question was how to secure balance while excluding the possibility of nuclear war. The Prime Minister said that it was not just nuclear war which should be excluded but also conventional war. Nuclear weapons had helped prevent conventional war in Europe.

Role of Third Country Forces

Mr. Karpov said that the Soviet Union could not regard British, French and Chinese nuclear forces, all of which were targetted on the Soviet Union, as irrelevant to the overall nuclear balance. However they were prepared to exclude British and French systems from the INF negotiations. But if the Soviet Union and the United States were to reduce their strategic nuclear forces by 50%, the role and significance of third country forces would increase and they would need to be taken into account in further negotiations. The Prime Minister said that British nuclear weapons would still be a tiny proportion of those which remained available to the Soviet Union. They would remain essential for our national defence. But we had spelled out in terms which would be familiar to the Soviet side the conditions in which we might envisage the inclusion of our forces in future negotiations. That remained the position.

Strategic Defence Initiative

The Prime Minister invited Mr. Karpov to explain why the Soviet Union continued to pursue the unrealistic goal of persuading the United States to renounce the SDI. Mr. Karpov said that the SDI would in essence mean that the United States would be in a position of immunity from attack by ballistic missiles. This might lead it to resort to actions which would not be contemplated while it remained under threat from nuclear weapons. The Soviet Union therefore saw strategic defence as dangerous and destabilising. It gave an illusion of security which could push the United States to risk confrontation. President Reagan himself had recognised in a statement of March 1983 that the SDI might be interpreted as a preparation for the achievement of a first-strike capability. The Soviet Union recognised, however, that President Reagan was committed politically to SDI. They had not, therefore, proposed that the United States should renounce the SDI programme, only that research and testing should be confined to the laboratory. They had also proposed that neither side should test or deploy elements of an SDI system in space for a period of ten years. Because there were differences between the United States and the Soviet Union over the interpretation of the ABM Treaty, the Soviet side had also proposed

clarification of those aspects of the Treaty which dealt with space-based systems. The Soviet Union had made a major concession by accepting the fact of the SDI. Far from asking President Reagan to renounce it, they had only proposed that the boundaries within which it could be pursued should be clearly defined. They were not actually fore-closing the possibility of deploying a strategic defence system after ten years. (He said this in English, not through the interpreter.)

The Prime Minister acknowledged that the SDI could be seen as disturbing the balance. That was why it was important that activity on strategic defence should be conducted within the ABM Treaty, why that Treaty should be maintained and the period of notice for withdrawal from it extended so as to provide greater predictability. She had emphasised to both President Reagan and Mr. Gorbachev the importance of strict observance of existing arms control treaties, both the ABM Treaty and SALT II. However it was completely unrealistic to expect the United States to give up the option of deploying a strategic defence system. After all the Soviet Union had already deployed the only existing defence system in the form of GALOSH and was itself doing research into space-based systems. There was also evidence that the Soviet Union was conducting activities in breach of the ABM Treaty. She acknowledged that there were differences in interpretation of the ABM Treaty, but these would not be solved by trying to rewrite the Treaty in a way which would permit the Soviet Union to continue its research while constraining the United States. She did not wish to get into the details of interpretation of the Treaty. But it was clearly established that no strategic defence system could be deployed except by negotiation under the terms of the Treaty. Mr. Karpov challenged this: it was clear that the United States' view was that if they decided that deployment of a strategic defence system was justified, they had the right to decide unilaterally to deploy it.

The Way Forward

The Prime Minister said that she had been very disturbed by Soviet tactics at Reykjavik in making agreement on any aspect of arms control dependent on acceptance of Soviet conditions on SDI. This was a throwback to a position which the Soviet Union had already abandoned at the time of the Geneva Summit. Mr. Gorbachev must have known before going to Reykjavik that there was no chance of President Reagan accepting this, in which case one was bound to question Soviet motives in going to the meeting. Did it remain the Soviet position that further negotiations on START and INF could not be taken forward or brought to a conclusion without simultaneous agreement on strategic defence? If so, the outlook was sombre indeed and the Soviet Union would bear a heavy responsibility.

Mr. Karpov said that the United States was well aware that the Soviet Union regarded SDI as a destabilising element in Soviet/American relations and a brake on progress towards

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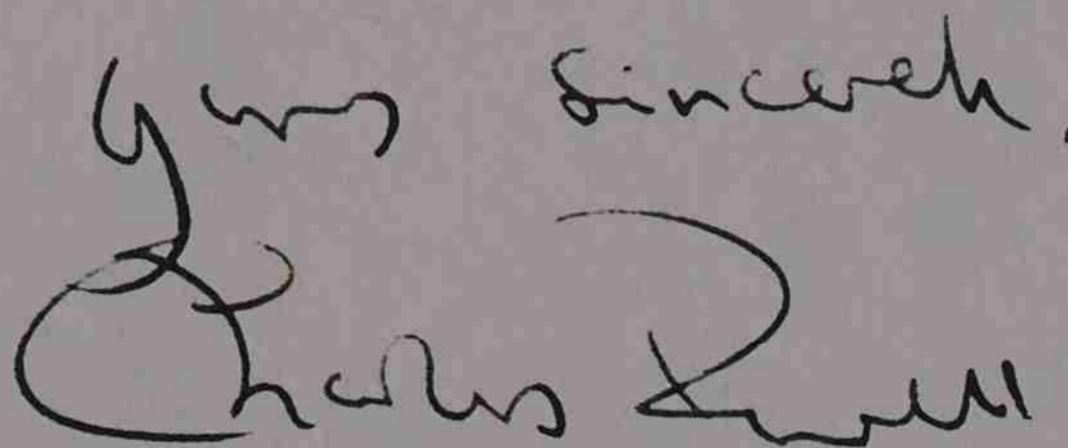
reduction in nuclear weapons. This had been made clear repeatedly and publicly.

The Prime Minister noted that Mr. Karpov had not answered her specific question. But it seemed clear to her that the Reykjavik meeting had suffered from inadequate preparation which could have led to some misunderstandings. There remained a good deal of ground for negotiation. Mr. Karpov agreed: negotiations should not stop. The Prime Minister said that she would like the meeting to convey a positive message. The press should be told that the message from her discussions with Mr. Karpov was that there were grounds for further negotiations. Both sides agreed that a way forward must be found. Mr. Karpov accepted this. The United States and the Soviet Union need to ponder and search for a way out of the present situation.

The meeting ended at 1045. I enclose a transcript of the remarks made to the press by Mr. Karpov on leaving No.10 and the note issued by our press office.

A final word: this record reduces to order what was an exceptionally lively, indeed excitable, discussion which moved rapidly from one subject to another and back again. It also eliminates repetition: for instance, the Prime Minister challenged Mr. Karpov again and again on why the Soviet Union had made all agreement at Reykjavik dependent on acceptance of their terms on SDI, and on the implications of this position for further negotiations. So while this letter is an accurate record of what was said, it does not adequately convey the flavour of the meeting.

I am copying this letter and enclosures to John Howe (Ministry of Defence) and to Trevor Woolley (Cabinet Office).

Yours sincerely,


(C. D. POWELL)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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