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10 DOWNING STREET

From the Private Secretary

24 November 1985

Prime Minister

Dear Sir,

You may like to refresh your memory on the McFarlane briefing before you see Kohl.

US/SOVIET SUMMIT: BRIEFING BY MR MCFARLANE

COP.

The Prime Minister was given a briefing at Chequers yesterday evening on the US/Soviet Summit on Mr Robert McFarlane, President Reagan's national security adviser. The Foreign Secretary and the US Ambassador were also present. My record follows Mr McFarlane's chronological account interspersed with his comments and observations.

By way of setting the scene, Mr McFarlane said that the President had believed it important to establish a solid foundation for his relations with Mr Gorbachev. He had wanted to make clear how the United States viewed its role, its interests and its obligations to the Western Alliance. He had also wanted to give the United States view of the Soviet Union and the extent he thought it possible for the two countries to do business in the years ahead. He had decided to use the early sessions to establish these foundations himself without subordinates present. He had wanted to demonstrate that he himself was the author and promoter of United States policy, both long-term strategy and crisis management. He also wanted Gorbachev to know a lot about him personally.

FIRST MORNING

At their tete-a-tete discussion on the first morning the President had given Gorbachev a comprehensive account of United States policies ten years after Vietnam. The United States had a more sober view of the limitations of its power; but at the same time was more sensitive to overseas developments because of its greater dependence on foreign markets and raw materials from abroad. This translated into a willingness to pursue a more active role both in the Western Alliance and more widely.

The United States was bolder and more self-confident than in the years after after Vietnam.

The President had tried to help ease Soviet self-doubts by making clear that the United States was conscious of Soviet military power and respected it. He had then gone very thoroughly over the fundamentals of disagreement between the United States and the Soviet Union. Despite these disagreements, the United States did not expect the Soviet system to change and did not seek to undermine it. But it could not accept Soviet attempts to expand its power and would react vigorously wherever it detected such expansion. Within these limits, the United States wanted

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to establish a more systematic and consistent approach to relations with the Soviet Union based on realism. The two countries were destined to compete. The United States wanted to ensure that the competition was peaceful. The Soviet Union must recognise the limits of United States tolerance. It could not hope to benefit from Western technology and trade without showing restraint beyond its borders and in the way it treated its own citizens. The President therefore wanted the Summit to deal with regional problems and human rights as well as with arms control in the hope of establishing improved understanding and setting US/Soviet relations on a sensible course for the rest of the decade.

Gorbachev had in response given an analagous description of what he wanted to accomplish. This had been very much on the lines of what he had said to Secretary Shultz and Mr McFarlane in Moscow. It was a doctrinaire Soviet view of the world. Mr McFarlane commented that the impression was that it was delivered more for the record than to change the President's mind. Gorbachev had argued that the US had a flawed notion of the Soviet Union and failed to acknowledge its strength. It believed that the Soviet economy was in decline and could be brought to the point of collapse by an arms race. In fact the Soviet economy was basically strong and could both provide an improved standard of living for the Soviet people and sustain a military build-up. US motivations were incompatible with peace. American foreign policy was guided by a cabal of ideologues rooted in the military-industrial complex. The success of the US economy depended on maintaining a strong defence industry and this in turn needed the artifice of a Soviet threat.

Mr McFarlane commented that Gorbachev's performance throughout this exposition was one of a self-confident, agile, articulate, argumentative, willful and impressive leader. The President had found the Prime Minister's assessment of Gorbachev right on the nail.

The discussion in Geneva had then moved on to an exchange of views on deterrence. President Reagan had given a firm, forceful and intellectually convincing presentation of the United States concept of deterrence in the past generation and the reasons why there were grounds for concern about its stability in the future. The notion of deterrence based on a balance of offensive weapons had been satisfactory. But recent Soviet development of a hard target capability had created an imbalance.

The point of greatest concern to the United States was Soviet introduction of mobile MIRV-ed systems. These posed enormous problems of verification. The US could never be certain how many such missiles and warheads the Soviet Union would have.

The President had gone on to explain his strategic defence initiative, citing three basic reasons for it. The first was the need to counter Soviet development of mobile MIRV-ed systems. Unless agreement could be reached to reduce these in a way which the US could verify with confidence, the United States would have no alternative but to move to strategic defence. Second, the strategic defence initiative was a hedge against the impressive Soviet research programme in this area which they had been pursuing for fifteen years. The President had given a detailed account

of US intelligence about Soviet work on lasers at Shary Shagan and elsewhere. Third, against the background of the dangers created by Soviet development of mobile ICBMs and clandestine pursuit of research into space weapons, the United States also had to take account of the possible proliferation of third country systems. All these factors made it reasonable for the US to try to establish whether strategic defence was a technical feasibility sometime after the turn of the century. The United States wanted to persuade the Soviet Union that it made sense to get together to seek a non-nuclear defence.

Mr McFarlane commented that the US side had the impression that Gorbachev was hearing some of these arguments for the first time. His first reaction was to become very animated. He did not accept what President Reagan was trying to make him believe.

The United States intended to develop offensive systems in space to threaten the Soviet Union under the guise of research into defence. They could not expect the Soviet Union simply to stand by. (Gorbachev made no specific reference to or admission of Soviet research activities.) President Reagan had denied that the US was developing an offensive capability in space.

But he had admitted that there was a risk of creating instability and had gone on to explain the open laboratories proposal. (Mr McFarlane interjected that this proposal stemmed from Mr Casey, Director of the CIA, who believed that it was possible so to organise US work as to be able to show the Soviet Union enough to convince them that the United States was not developing offensive systems, without exposing the most secret aspects of the research.

He also believed that the US could gain more than it would put at risk through reciprocal opening of laboratories.) Gorbachev had countered by proposing that the open laboratories approach should be adopted to prevent any development of weapons in space. The President had replied that, if he had confidence that the Soviet Union would really stop research and development, Gorbachev's proposal might influence him. But he did not. After a long pause Gorbachev had concluded with words to the effect: "you obviously feel this [SDI] very strongly. It strikes me your argument is an emotional one, not one built on military logic or scientific probability. I do not agree to it but you seem to believe it".

Mr McFarlane commented that, while Gorbachev probably did not believe what the President was saying, he could recognise that the arguments were likely to be attractive to Congress and to the American people, and were evidence of the President's determination to press ahead with the strategic defence initiative. The President had also expressed readiness to share the results of the strategic defence initiative research to give the Soviet Union greater confidence. Once again Gorbachev had seemed to find this more impressive as a political argument than as a practical possibility.

FIRST AFTERNOON

Gorbachev had opened the afternoon session by restating his notion of deterrence and the reasons why an imbalance existed in favour of the US. His arguments had not been very persuasive and were mostly to the effect that the United States was wrong about the numbers of Soviet systems and warheads. He had again alleged that the US was trying to achieve a first-strike capability

President Reagan had replied with an historical analysis. He recalled that when the US had alone possessed nuclear weapons in the 1940s and early 1950s it had not used them against the Soviet Union. He had gone on to develop the theme that the US could not tolerate Soviet use of power and subversion beyond its borders and was prepared to resist it. He had taken as an example the subversion of the Sandinista Revolution in Nicaragua. The United States Administration would have the support of Congress for supporting the freedom fighters in their modest aims and for stopping the Sandinistas from exporting their revolution to neighbouring countries. Mr McFarlane commented that once again he thought the President had been effective less in changing Mr Gorbachev's mind than in conveying a picture of a politically strong and determined leader, who would have political support at home for what he wanted to do.

The President had then gone back to the question of strategic balance and security, making clear that the US could not tolerate a trend towards an imbalance in offensive power in the Soviet Union's favour. Gorbachev had in reply left no doubt that the Soviet Union intended to press ahead with its various programmes for updating its offensive capability. At this point the President had taken Mr Gorbachev down to a lodge in the grounds for a private discussion. At this, he had handed over a note of four (it seemed in fact to be five) points of possible guidance to the negotiators in Geneva. These were: a commitment to accelerate the negotiations; instructions to work for a 50 per cent reduction in offensive weapons, the reduction to be applied to comparable systems; a commitment to seek an interim agreement on INF; an undertaking that American and Soviet defensive programmes were and would remain within the limits of the ABM Treaty; and agreement to negotiate concurrently on verification measures. Gorbachev had not found this acceptable because it did not provide for curtailment of the strategic defence initiative. The President said that American activities would be governed by the ABM Treaty and he was ready for US negotiators to discuss the SDI in Geneva. But he made no real progress in convincing Gorbachev. The session had ended with both men gloomy. As they parted, the President had asked Gorbachev whether he had found the day's talks useful. Gorbachev confirmed that he had. The President had proposed that they might agree to regular summit meetings and Gorbachev had agreed.

The dinner that evening had been entirely social, with the conversation dealing with family, films, California, Stavropol and other such matters. Mrs Gorbachev had been a very lively and active participant.

SECOND MORNING

The second morning had opened with a further private session between the two leaders. President Reagan had raised the question of human rights and explained why it was a high priority for the US. As a country of immigrants, the principle of freedom of emigration was important to them, in addition to the simple morality of how individuals were treated in the Soviet Union. He had acknowledged the difficulty of making progress if human

rights were treated as a headline issue. He was ready to deal with these matters privately and directly with Gorbachev. His concern was concerned with results not with propaganda. If the Soviet Union wanted to see relations with the United States, develop and trade and other exchanges improve, the support of Congress would be needed. It would be forthcoming only if there was progress on human rights issues.

Gorbachev had countered by criticising the US record on human rights and by citing Soviet success in providing full employment and equal opportunities. The President had responded robustly about the performance of the US economy, which was creating 30,000 new jobs a month. He had referred to the 30 pages of advertisements for jobs in the New York Times every day. Gorbachev had been rather nonplussed by this. But at the end he had said that he would try to make some headway on this issue. He would think about it and be in touch.

The subsequent plenary session had focussed on regional issues and dealt in considerable detail with Afghanistan. Gorbachev had made clear that he wanted to find a way to resolve this problem. He had acknowledged that no useful purpose was being served by Soviet troops. The Soviet Union would like to withdraw. (This statement had considerably agitated Kornienko.) But withdrawal was impossible while outside interference continued. The President had said that the US had no wish to embarrass the Soviet Union over withdrawal, indeed would be happy to co-operate in bringing it about. The outcome should be a non-aligned Afghanistan and a return of refugees. Perhaps experts could get together to explore formulae for getting talks started. Mr McFarlane said that it had been clear that the President was tacitly saying that the US would be willing to curtail support for Afghan rebels in the context of progress towards a settlement. Gorbachev had said he would think further about the problem and get in touch.

The President had referred to his United Nations speech and explained that his approach was a genuine attempt to help prevent regional problems from upsetting relations between the Soviet Union and the United States. Gorbachev had said that Western suspicions that the Soviet Union had ambitions to go beyond Afghanistan into Pakistan or to out-flank Iran were absurd.

SECOND AFTERNOON

The President and Mr Gorbachev had spent some time on the second afternoon on bilateral issues. But the discussion had not covered much ground. The United States wanted to avoid getting drawn into discussion of trade and technology and had focussed on cultural exchanges. Gorbachev had said that the Soviet Union could agree to a number of the United States proposals.

This had led on to a discussion of how to present the outcome of the Summit/^{on} which officials had been unable to reach any agreement in a separate meeting. The talks had recessed while each side considered its position. During the recess, Gorbachev's spokesman had announced that Gorbachev would be giving a press

secret

conference the next day. The United States had interpreted this as a signal that he was not particularly concerned about making a joint appearance with the President or, by implication, about reaching an agreed outcome. When the leaders reassembled, the President had set out various possibilities: each side could report its views at separate press conferences, or they could gather in the same place and give separate reports, or there could be no reports at all. Gorbachev had simply said that the matter should be put back to subordinates and discussed further at dinner. But as the President was leaving, Gorbachev had taken George Shultz aside and said that an effort should be made to achieve a joint approach and there should be further discussions between officials on what might be said and how.

American officials then waited for three hours for a Soviet team to turn up. While the principals had a non-contentious and social dinner with hopeful toasts, officials had continued discussions. (The US side included Perle and Mrs Ridgway; the Soviet side Sokolov and Karpov) Once again no progress was made. When this was reported to the principals after dinner, George Shultz had lost his temper and said that it was a very poor effort. There had been a clear steer from Gorbachev to try to reach some agreement but this had been prevented by outrageous and obstructive behaviour on the Soviet side for which he blamed Kornienko (who was present). President Reagan had then intervened to say that he and Mr Gorbachev had talked candidly about their disagreements. It should be possible to set down a reasonable account of where they agreed and disagreed.

Negotiations had then been left to more senior officials. A breakthrough had finally come at about 2 am when Mr McFarlane had moved away from the original four points on arms control, and agreed that a joint statement should revert to the January formula for getting the Geneva negotiations started. ("Prevent an arms race in space and halt it on earth"). Surprisingly, the Soviet Union showed no interest to having a reference to the ABM Treaty in the joint statement. This seemed to have unlocked Soviet objections to the text and by 5 am agreement had finally been reached on a package.

Mr McFarlane's conclusion was that Gorbachev had been impressed by the President's self-confident and assured manner, supported by some good opinion polls released during the Summit. He thought that Gorbachev had absorbed the fact that he had witnessed a presentation of US positions which would be accepted by the United States Congress and people, assuring the President of wide political support for his policies including the strategic defence initiative.

COMMENT

The Prime Minister said that it was evident from Mr McFarlane's account that Gorbachev had not been able to meet the criteria which he had himself set for the Summit. He had said in advance that there would be no progress unless the strategic defence initiative was halted. In the event he had not made this a sticking point. As a consequence he had gone back to Moscow looking weaker than when he came and realising that the Soviet Union was not fully equal to the United States. She thought

she understood why he had not wanted a reference to the ABM Treaty in the Joint Statement. He would fear that this would simply give the US cover for research and development of a strategic defence system up to a certain point, after which it would break cover by denouncing the Treaty and going for full deployment. The Soviet Union would be left far behind. He would never believe that the United States would hand over the results of SDI research. Neither did she. (Nor, it was apparent, did Mr McFarlane). The Foreign Secretary said that he could see another reason. Gorbachev's refusal to agree to reductions in offensive weapons unless a stop was put to the strategic defence initiative was his trump card. Reaffirming the ABM Treaty would imply that the US work on the SDI within the Treaty was legitimate and acceptable. Mr McFarlane said that one could only conclude that there was agreement to differ on the SDI. The issue would have to be joined in Geneva. He recalled that at one point in the discussion the President had said in effect: if you do not have offensive ballistic missiles you do not need a strategic defence system. Gorbachev might therefore still see some plausible hope of bargaining reductions in offensive weapons for limitations on the strategic defence initiative. In the United States' view, Gorbachev's main concern was with being bankrupted by having to match the strategic defence initiative. It was basically an economic issue for him.

The Prime Minister asked whether Gorbachev had gone into detail of how the Soviet Union would match or counter the strategic defence initiative. Mr McFarlane recalled that Gorbachev had at one point said words to the effect: if you continue the strategic defence initiative, we shall not reduce offensive weapons. Rather we shall expand our programme of building offensive weapons and shall carry out development of systems capable of getting round a US defence system. I am very confident that they will be effective.

The Prime Minister said that she assumed that the prospect of a Summit next year would add dynamism to work in the meantime, particularly on arms control. Her worry was that without measurable results fairly soon, there could be a backlash from public opinion. The Foreign Secretary added that it was important for the establishment of a long-term, balanced relationship that neither side should be seen to be claiming victory from the Summit. Mr McFarlane agreed on the latter point and said that he was hoping to be able to restrain the defence establishment in Washington from crowing.

The Prime Minister asked how Mr McFarlane rated the prospects of progress on other arms control issues particularly chemical weapons. Had there been any real change in the Soviet position? Mr McFarlane said that he thought that the Soviet military, like their American counterparts, were getting disenchanted with chemical weapons. There was intelligence of a declining emphasis on chemical training, and of less attention being paid to providing protection to vehicles against chemical attack.

The Prime Minister concluded that it had been a remarkable summit, in which the President had clearly been most effective in putting over the United States' and western case.

I am copying this letter to Richard Mottram (Ministry of Defence) and Michael Stark (Cabinet Office).

Len Appleyard, Esq.,
Foreign and Commonwealth Office

Yours sincerely,
Chris Powell