



Foreign and Commonwealth Office *IS*

CONFIDENTIAL London SW1A 2AH
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3 December 1987

Dear Charles,

Mr Gorbachev's Stop-over in the UK

This letter and its attachments are intended to serve as the Prime Minister's brief for her talks with Mr Gorbachev.

MR GORBACHEV'S AIMS

Mr Gorbachev will probably wish to assess European attitudes to the INF treaty and European strength of purpose in resisting steps towards further denuclearisation. He may well wish to raise again the point at which the British and French deterrents should enter the strategic weapons discussion. In general he will be anxious to maintain the dialogue with Britain as the United States moves into the pre-election period but will not be averse to a little wedge-driving - indeed his last-minute acceptance of the Prime Minister's invitation might in part have been calculated to cause concern in Washington. He will also want to stress that both internally and externally his reforms are genuine and not merely tactical repackaging, and that he is firmly in control.

BRITISH OBJECTIVES

Sir Geoffrey Howe believes that arms control should be at the head of our agenda. We should make clear that there is no division between Europe and the US on INF and full alliance unity on the way ahead on arms control. We should keep up the pressure on the human rights front, as well as making one or two bilateral points. (One of these is being covered in a separate letter). We should also take the opportunity to get across the strength of our views on key regional issues, notably Afghanistan and the Gulf war. Finally the meetings will be an opportunity to gain a first-hand impression of the strength of Gorbachev's own position. Public presentation will clearly be very important. The crucial point will be to appear supportive of the Americans just before the Summit.

Given the limitations on time, Sir Geoffrey Howe recommends as far as possible a division of labour. He suggests that the Prime Minister may wish to focus on the main political aspects of arms control and alliance unity and on Mr Gorbachev's assessment of the prospects and direction of perestroika. The Prime Minister will clearly also wish to raise human rights in general terms, refer

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briefly to regional issues, and make one or two bilateral points (invitation to Mr Gorbachev, trade); but Sir Geoffrey suggests that his own talks should cover these in more detail.

ARMS CONTROL

The Prime Minister will no doubt wish warmly to welcome the INF Agreement. Mr Gorbachev may well try to accuse NATO of planning to "circumvent" the Agreement by making adjustments to its residual INF forces. There will in fact be no circumvention because any adjustments will be composed of non-Treaty limited items. The Soviet Union will have as much freedom to adjust as NATO and has substantial modernisation programmes underway for nuclear capable aircraft and for sea-and air-launched cruise missiles. NATO Defence Ministers have repeatedly made clear that only the minimum number of nuclear weapons necessary for deterrence are maintained by the Alliance. Even before the INF treaty NATO reduced its stockpile by 2400 warheads. Can the Soviet Union say the same for its stockpile?

Mr Gorbachev may press for follow-on INF negotiations and negotiations on SNF, and seek to portray the Germans as keen on the latter. The Prime Minister will no doubt wish to reiterate the validity of nuclear deterrence for the foreseeable future and the need to eliminate chemical weapons and the conventional imbalance before any further agreement on nuclear weapons in Europe could be considered.

This does not mean that we do not support 50% reductions in the strategic forces of the superpowers. This is likely to be the major arms control topic at the Washington Summit. Further progress on sub-limits may be possible. Verification discussions still have a long way to go (the Americans have asked us to stress that verification will have to go even further than for INF). But the main question will be linkage between START and the ABM Treaty.

Both sides have proposed a period of non-withdrawal from the ABM Treaty (US seven years, after which deployment would be permissible in the absence of agreement to the contrary; Soviet Union ten years, during which activity relating to ballistic missile defence would be constrained within the narrow interpretation of the ABM Treaty or by a list of agreed parameters on what could and could not be done in space). Both Mr Shevardnadze and Mr Gorbachev have recently claimed that the Soviet Union is interested in strategic stability rather than in shackling the SDI programme as such; and Mr Gorbachev has confirmed for the first time publicly that the Soviet Union has a strategic defence research programme of its own. The Americans have asked that the Prime Minister should tell the Russians to set aside START/SDI linkage and get on with the completion of a draft START treaty. The Prime Minister may wish to

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reiterate that she sees scope for mutually agreed US and Soviet programmes of activities involving space-based devices over a set time period. This, combined with a period of non-withdrawal from the ABM Treaty, would reassure both sides that no break out was imminent.

If our own deterrent is raised, it is worth recalling Mr Gorbachev's public statement at the Reykjavik Summit; "we decide today to withdraw completely the question of British and French missiles" and "let them remain as an independent force, let them increase and be further improved". 50% cuts would still leave the US and Soviet Union with 6,000 strategic warheads each compared with a maximum of about 500 which the UK could deploy on Trident. Trident would thus represent a very small proportion of superpower arsenals even after such cuts. A START Agreement would not meet our conditions for subsequently associating the UK deterrent with the arms control process, ie very substantial reductions in the arsenals of the superpowers and no change in Soviet defensive capabilities.

It is possible that Mr Gorbachev may probe our position on nuclear testing. We have welcomed the recent opening of US/Soviet talks in Geneva which aim, as a first step, at agreeing verification procedures which will allow ratification of the bilateral Threshold Test Ban and Peaceful Nuclear Explosions Treaties. If Mr Gorbachev presses the Prime Minister to agree to an early resumption of CTB negotiations, the Prime Minister will no doubt wish to stress that a step-by-step approach is best. It would be premature to embark on the new CTB negotiations until progress on verification has been made.

On conventional arms control the Prime Minister may wish to commend stability as the goal in this, as in the strategic nuclear, field; and to welcome Mr Gorbachev's professed thesis that the right approach is for the side which enjoys numerical superiority in Europe to build down. She will also want to leave Mr Gorbachev in no doubt that we shall be looking for an explicit exclusion of nuclear weapons in the mandate for the forthcoming negotiations. There have been signs recently that the Soviet Union might be willing to accept such an exclusion, provided the mandate permits dual capable systems to be addressed. The Alliance's agreed position on such systems (aircraft, artillery and missiles) is that we will not make or accept proposals which might impinge upon our requirements for nuclear deterrence. At the same time we do not want to prevent ourselves trying to secure reductions in all those elements of the Warsaw Pact's military capabilities, including dual capable systems, we find threatening or destabilising. To reconcile these considerations the allies are seeking to negotiate a mandate for the talks which stipulates that the negotiations will be about

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"conventional forces"; contains a specific provision that nuclear weapons will be excluded; but is silent on dual capable systems.

Mr Gorbachev may press for a commitment to "mutual" reductions. Allied representatives in Vienna have resisted "mutual", which might be taken to imply agreement to self-serving Soviet proposals for equal or equal percentage reductions. In our own planning for the negotiations we are not ruling out some modest Western reductions. But if any were eventually agreed they would not necessarily apply to all NATO countries. The key point to put to Mr Gorbachev is again that the side with superiority in Europe should build down.

On chemical weapons we recognise that the Soviet Union has moved towards us on verification and that progress has been made this year in the negotiations at the Conference on Disarmament in Geneva. But the Prime Minister might underline to Mr Gorbachev that an effective agreement to eliminate CW, to which we are committed, poses exceptionally difficult problems for verification. With the world's largest and most advanced CW armoury, the Russians have a special responsibility to respond to the concerns of others on detailed data exchange and verification measures. It follows that the negotiations cannot be tied to completion within an artificial deadline (the Russians have suggested that negotiations can be completed in the next few months).

A question mark over Soviet motives stems from the claims made by Gorbachev in his speech in April in Prague (cessation of Soviet production; no deployment outside Soviet Union; and no non-Soviet Warsaw Pact possession). The Prime Minister will be aware of our intelligence assessments on these points, but we could not challenge Gorbachev directly without the risk of compromise to (mainly American) sources. The point could perhaps be met by noting that Gorbachev's speech contained the first public Soviet admission that the Soviet Union possessed CW: to that extent, we welcomed it as a step in the direction of greater openness, although there were some references - perhaps to the situation in the past - on which our experts would not necessarily agree. The Prime Minister might then say that the important thing was to look to the future, to a much more complete data exchange and other measures to build confidence between the major parties. The visit to the Soviet CW facility at Shikhany in October should be built upon (intelligence makes clear that a very considerable proportion of the site was not opened to the visitors); the exchange between Shikhany and Porton Down, which we hope will take place next spring, will be a further opportunity.

If Mr Gorbachev raises the new US binary programme (due to enter production on 17 December), the Prime Minister could say that this seems to us only prudent, given Soviet failure to respond to an effective 17 year US moratorium.

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Annexes with the main facts on the various arms control negotiations and on the East/West nuclear and conventional military balances are attached.

SOVIET INTERNAL AFFAIRS

The Prime Minister will wish to hear Mr Gorbachev's assessment of the current Soviet political and economic situation, and to repeat our support for the changes he is attempting to bring about. I attach short notes on the leadership, perestroika and proposed economic reforms. We are also arranging for you to receive a videotape of Mr Gorbachev's recent NBC interview.

There is no doubt that this is a difficult time at home for Mr Gorbachev. The prospects for his reforms are at best uncertain, particularly now that economic reforms are starting to bite and the removal of subsidies is in prospect. The downfall of his radical appointee, Eltsin, the strengthening of the conservatives under Ligachev and to a lesser extent sensitivities over the role of Raisa Gorbacheva, have made him more vulnerable than in the past.

In order to draw Mr Gorbachev out, the Prime Minister could ask how democratisation and economic decentralisation (both of which are given considerable emphasis in Mr Gorbachev's "Perestroika" book a copy of which was sent to the Prime Minister earlier) are compatible with the continuing "leading role" of the Party, and whether there are those in the Party who fear the loss of this role. Another possible theme is the need for, and difficulty of, changing attitudes. Mr Gorbachev asserts in his book that the Soviet people need to be educated into perestroika and out of the "psychology of dependence" which, he says has deep roots in the USSR. Motivating people to work harder requires material incentives as well as ideological exhortation, but ordinary people look to be more worried about price rises than attracted by payment by results and more responsibility. The Prime Minister might ask where positive results from reform might be seen soonest, and what the real prospects are for more and better consumer goods in the shops and a more consistent and varied food supply. ("Wishful thinking is a dangerous occupation" - Mr Gorbachev's book).

The Prime Minister could also welcome recent indications that the Soviet conception of peaceful coexistence is evolving towards an acceptance that Western style capitalism/democracy is an alternative to socialism rather than a stage on the road to the inevitable triumph of socialism. She might wish to take the opportunity to stress that for our part we find Soviet style socialism alien and will not accept any Soviet subversion of our way of life. But greater tolerance and openness in the Soviet Union would increase Western confidence in the prospects for genuine cooperation.

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REGIONAL ISSUES

This is a timely moment to press Mr Gorbachev to prove Soviet good will by making a commitment at the summit to withdraw all their troops from Afghanistan next year and to accept a transitional government. The Americans have officially asked if the Prime Minister will raise this and suggested she make clear that concrete steps forward in this area could help the prospects for INF ratification. The proposed balanced statement by the European Council will add weight to the message, as did the record number of countries (123) at this year's UN General Assembly who demanded immediate Soviet withdrawal.

Discussion of Afghanistan may well lead to the question of US military aid to Pakistan and the related highly dangerous issue of nuclear proliferation in the sub-continent. We want to encourage the Russians and Americans to cooperate over this and of course stand ready to help ourselves. The Prime Minister could stress that the Iran/Iraq conflict is one regional issue where we share the same objectives: ending the conflict, and preserving freedom of navigation in the Gulf. The Summit is an opportunity for the superpowers to show a clear lead, and thus give new impetus to the implementation of SCR 598. The most urgent first step is for the Five to give the Secretary General the draft arms embargo resolution he has asked for. The Russians should resist the temptation to look for unilateral political advantage, and avoid unrealistic diversions such as their undefined proposal for a UN naval force.

The Americans will be happy to avoid discussion of Arab/Israel at the Summit. The Prime Minister might nevertheless make clear our own continuing support for an international conference, and discreetly encourage Mr Gorbachev at least to put down a marker with President Reagan that the convening of a conference remains a major Soviet objective. She might add that any new Soviet flexibility on Jewish emigration and/or restoration of relations with Israel would increase the pressure on Shamir (and the Americans) to move towards accepting a conference (and also help with INF ratification).

If time allows the Prime Minister might also remind Mr Gorbachev that the Soviet Union has an important role to play over Cambodia by using its influence to persuade Vietnam to work for an internationally acceptable solution.

HUMAN RIGHTS/CSCE

The Prime Minister will wish to recall her conversation with Mr Gorbachev in March, to note the continuing releases of prisoners and refuseniks (7,000 Jewish emigrants this year) but to press for

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further major steps forward and for the necessary changes to basic attitudes, including abolition of repressive legislation. This would increase Western confidence in the Soviet Union and is essential to a sustained improvement in East-West relations. (Sir Geoffrey Howe will be pursuing a number of individual cases with Mr Shevardnadze). Again the Americans have suggested that Mrs Thatcher might make the point that Soviet performance in this area will crucially affect the INF Treaty ratification process. Mr Gorbachev may well refer to the Soviet proposal for a CSCE humanitarian conference in Moscow, to which he attaches importance. He may argue that such a meeting would actively contribute to improving Soviet performance and give assurances about the open circumstances in which it would be held. The Prime Minister will wish to stress our grave doubts about the appropriateness of such an event without a significant qualitative improvement in Soviet human rights performance, fulfilling their existing CSCE commitments as a minimum. She could also urge an end to Eastern stonewalling on these issues in the Vienna Review Conference.

BILATERAL RELATIONS

The Prime Minister will wish to renew the invitation to Mr Gorbachev to pay a substantive visit to the UK in 1988. If necessary she could repeat that she was distressed by the personal attacks on Mrs Gorbacheva in the British press, whilst reminding him that press freedom is an essential ingredient in our democracy. She could refer to her recent conversations with Academician Marchuk, Dr Tolstykh and Academician Aganbegyan, and Sir Geoffrey Howe's forthcoming visit to Moscow (dates in January or February still to be agreed) as examples of our interest in the development of a broadly-based bilateral dialogue. She could point to the usefulness of the memorandum of understanding signed during her visit in promoting exchanges and to Academician Aganbegyan's excellent launching of the lecture series. It would be very helpful if she could also make a brief mention of trade. Despite the agreement reached during her visit to Moscow to aim for a 40% increase by 1990, the figures so far this year are disappointing: UK imports up 17% at £650m and UK exports down 5% at £421m. The award to Simon Carves/GEC of the £250m contract to build a process controller plant in Yerevan, for which a letter of intent was signed during her visit, would do much to redress the balance. Negotiations are at a critical stage, and a mention by the Prime Minister could have a decisive influence. She could stress that HMG is offering its best possible credit terms. Continued delay is in no-one's interest.

Finally, I attach personality notes on Mr and Mrs Gorbachev.

Long evr,
[Signature]

(I Parker)
Private Secretary

C D Powell Esq
10 Downing Street

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(UNTIL TREATY SIGNED AND PUBLISHED)

INF TreatyMain Provisions

1. The INF Treaty will provide for the global elimination of US and Soviet ground launched ballistic and cruise missiles within the range of 500/5500 kms. The existing missiles caught by this provision are spelled out by name. On the Soviet side, they are the SS-12/22 and the SS-23 (short range INF systems whose ranges are under 1,000 kms); and SS-4 and SS-20s (long range INF systems with ranges of 1,000 kms plus). All these Soviet systems are ballistic. On the US side the missiles concerned are the ground launched Cruise missiles (GLCM9 and the (ballistic) Pershing II). Both of these are long range INF systems. The FRG-owned Pershing ballistic IA missile, with US-owned warheads, will also be eliminated but not under the provisions of the Treaty. They will be renounced unilaterally by the FRG, such renunciation taking effect before the end of the elimination period set in the INF Treaty.

Elimination Arrangements

2. Elimination procedures will cover missiles; launchers; and supporting structures and equipment. A detailed protocol to the agreement sets out what has to be done to re-entry vehicles (including warheads), missiles, launchers, equipment and support structures. The main requirements are that:

(a) A limited number of missiles will be destroyed by launching (without warheads) within the first six months of the treaty.

(b) The remaining missiles and launchers will be destroyed at specifically designated destruction sites, not at their declared deployment sites.

(c) Support structures at the deployment sites will be destroyed, or permanently converted to other uses, in situ. For cruise missiles, the support structure is defined as the hardened shelter.

/(d) Re-entry

(d) Re-entry vehicles will be returned to the country of origin. Fissile material and guidance systems will be removed before the warhead casing is destroyed.

Ancillary Measures

3. To ensure that elimination is effective, a number of provisions restrict associated activities and establish definitions and counting rules, including:

(a) No production, flight test or launch of any missiles subject to the Treaty.

(b) Flight testing is the main criteria for establishing range category and capability to deliver weapons.

(c) All missiles of the relevant range, both ballistic and cruise are taken to be nuclear-armed. So conventional intermediate range missiles will also be banned.

(d) Warhead numbers are taken to be the maximum number determined and specified for the type of missile concerned.

(e) There are detailed provisions to cover the continued existence of R&D rocket booster systems with a 500/5000 km range.

Timetable for Elimination

4. All SRINF missiles will be eliminated within 18 months. There will be two phases for reductions of LRINF missiles within an overall period of 3 years. The first phase will cover 70% of the total period at the end of which each side will have 180 warheads on deployed missiles and 200 deployed and non-deployed launchers/missiles. Each side is free to vary its drawdown schedule within these overall limits. During the elimination period, missiles remaining are subject to geographical restrictions:

/(a) They

(a) They must be in specified deployment areas; at specified missile support facilities; or in transit.

(b) Deployment areas are spelled out in a MOU, and cannot be changed. There are no restrictions on deployment of legal missiles within a specified deployment area.

(c) There are rules governing the time allowed in transit. Missile support facilities include production, assembly, repair, training and storage.

Exchange of Data

5. There will be a detailed data exchange prior to the signature of the Treaty, which will be updated within 30 days of its entry into force. The data must be regularly updated thereafter; and there will also be regular notification of significant changes, progress of reduction, elimination of sites, transits of missiles etc. All this ties in with the verification regime, (para 7 below).

Miscellaneous Provisions

6. Consultation arrangements for resolving compliance questions are established; the treaty is of unlimited duration; and there are usual clauses covering withdrawal from the Treaty for reasons of supreme national interest, proposals for amendment; and an obligation not to enter into conflicting obligations.

Verification

7. The Treaty establishes a verification regime involving data exchanges, on site inspection and unimpeded national technical means. The inspection regime has seven main elements:-

(a) Baseline inspections, in the first three months of the Treaty, to verify the data exchanges. These cover missile operating bases and support facilities. A missile operating base is defined as part of the deployment area.

/(b) Inspection

(b) Inspection of elimination and destruction at designated areas, to establish that the specified elimination procedures for missiles, launchers and support equipment and structure have been completed.

(c) Short-notice inspections of declared missile operating bases and support facilities. An annual quota of twenty such inspections will be allowed for each side in the first three years.

(d) A "Close-out" inspection of the operating bases and support facilities at the end of the three year period to confirm that elimination has been completed.

(e) Short-notice inspections of "suspect sites". Such inspections will cover formerly-declared sites for a period of ten years after elimination of missiles. In the first five years after elimination an annual quota of 15 is set; and in the next five years 10 a year will be allowed.

(f) In addition the US will have the right to establish a permanent monitoring team at a Soviet ballistic missile production facility at Votkinsk and a Soviet cruise missile production plant at Sverdlosk. As a reciprocal right the Russians can monitor a ballistic missile production facility in Utah and a cruise missile launcher production plant in San Diego.

(g) The United States can request that the sites of SS 25 ICBM sites be periodically opened to permit confirmation by satellite observation that they do not contain any Treaty limited systems.

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INF Verification Arrangements: How do they affect the UK

Basic Provisions

- Only RAF Greenham Common and RAF Molesworth are involved. All missiles at these sites will be eliminated within three years. Likely that those at Molesworth will be eliminated first.

- There will be four types of inspections at Greenham Common and Molesworth:
 - (a) baseline data exchange - within 30-90 days of the treaty's entry into force.
 - (b) short notice challenge inspections during the period when missiles still deployed
 - (c) close-out inspections when all the missiles have been eliminated.
 - (d) continuing short-notice challenge inspections for 10 years after the end of the three year elimination of missiles.

- All inspections will begin with the arrival of a team at RAF Greenham Common. A maximum of ten Soviet inspectors will be involved. There are strict timelimits. A single inspection could last for up to 90 hours from entry into the UK to departure. But most are likely to be much shorter than this.

- Inspections in the UK will be included in overall annual quota of 20 for first three years, 15 for next five and 10 for next five (up to year 2001). No more than 50% of any quota can be in one basing country).

- The British authorities will be informed immediately by the US of Soviet requests for inspections. As little as one hour's notice will be given to clear a Soviet Flight Plan. How soon after this Soviet inspectors will arrive will depend on point of departure.

/British

- British officials, along with American officials, will join in meeting the aircraft carrying the Soviet inspection team and will form part of a permanent escort of Soviet inspectors during the period of inspection.

- Neither the inspectors nor the aircrew will be allowed access beyond the two bases, where they will be accompanied by British and American escorts at all times.

Modalities

- The details of the inspection arrangements, which will be the same in all the countries concerned, are set out in an Inspection Protocol appended to the INF Treaty. In addition a Basing Country Agreement will be signed between the United States, the UK, the FRG, Belgium, the Netherlands and Italy which will establish the practical procedures and provisions which are necessary in order that the United States can discharge its obligations under the Treaty in respect of facilities not on US territory. Finally there will be an Exchange of Notes between the UK and the Soviet Union. The British Government will grant to the Soviet Government the right to conduct inspections on British territory and the Soviet Government will undertake to comply with British laws and procedures

- Responsibility for monitoring and assessing compliance with the Treaty will be the exclusive responsibility of the US and the Soviet Union.

UK Sovereignty, Laws Etc

- All inspection personnel will require British visas: normal vetting procedures will apply.

- Inspectors will be drawn from a list of names approved in advance over which the UK will be consulted.

- Provisions agreed in UK/US Basing Country Agreement and UK/Soviet Exchange of Notes will guarantee to the UK direct powers to ensure observance of UK laws and sovereignty.

/Costs

- Costs of any services requested by the US and provided by Basing Country will be borne by the US.
- UK fully involved in air traffic control assistance, transportation of inspectors (if they need to go to Molesworth) and accommodation (if required).
- UK has the right to examine equipment brought in by inspection team and to ensure it is in line with agreed limits.

Customs Procedures. Privileges and Immunities

- HM Customs procedures will apply at point of entry. Privileges and immunities have been agreed for inspection personnel which do not exceed those granted under the Vienna Convention.
- US and UK will hold regular consultations on implementation of inspection regime.
- Any changes in inspection arrangements which directly effect interests of UK (and other basing countries) will not be agreed by US unless approved by UK.

START - SUMMARY OF PROPOSALS

	<u>US</u>	<u>Soviet</u>
<u>General Approach</u>	50% reductions to equal levels in strategic offensive nuclear warheads carried out in phases over <u>seven</u> years from the date the treaty comes into force. Agreement not contingent on the the resolution of other issues outside START negotiations.	50% reductions in strategic offensive warheads within <u>five</u> years, with subsequent negotiations for additional reductions. Agreement on 50% reductions within five years contingent on the resolution of Defence and Space issues, particularly US undertaking strictly to comply with ABM Treaty.
<u>Delivery Vehicles</u>	1600 ceiling on number of deployed ICBMs, SLBMs and heavy bombers.	Same as US but wish to include submarine-launched cruise missiles (SLCMs)
<u>Warheads</u>	6000 warhead ceiling to include ICBM and SLBM warheads and long-range ALCMs and with each heavy bomber equipped for gravity bombs and short-range attack missiles counting as one warhead.	Same as US but wish to set separate limit of 400 SLCM warheads for each side above 6000 ceiling.
<u>Warhead Sublimits</u>	Sublimits of 4800 ballistic missile warheads, 3300 ICBM warheads and 1650 warheads on heavy ICBMs (with over 6 warheads)	Soviet proposals: 5100 ballistic missile warheads 3000-3300 warheads on ICBMs 1800-2000 warheads on SLBMs 800-900 warheads on ALCMS

Heavy ICBMs

As in sublimits - down to 1650 level.

50% reduction from current level of heavy ICBM launchers which, Russians say, means 1540 warheads.

Throw-Weight

50% reduction from current Soviet throw-weight level to be codified in treaty.

Russians claim that effect of 50% cuts would be to reduce their throw-weight level by 50% and that this would not subsequently increase. They refuse to codify such reduction

Mobile ICBMs

Banned

Permitted

Heavy Bombers

Each heavy bomber counts for one nuclear delivery vehicle. Each heavy bomber equipped with gravity bombs and SRAMs would count as one warhead in 6000 limit. Each long-range ALCM would count as one warhead in 6000 ceiling.

Same as US

Verification

Not tabled. But intrusive on-site monitoring and National Technical Means would be included.

Agreement in principle to such a framework. But no detailed position.

SECRET WINTEL UK EYES A
USSR-US STRATEGIC NUCLEAR BALANCE OCTOBER 1987

SYSTEMS	LAUNCHERS/ AIRCRAFT	WARHEADS PER MISSILE	MAXIMUM NUMBER OF WARHEADS ON LAUNCHERS
<u>USSR</u>	A		B
<u>ICBM</u>			
SS11	420	1	420
SS13	60	1	60
SS17	138	Up to 4	552
SS18	308	Up to 10	3080
SS19	360	Up to 6	2160
SS25	<u>99</u>	1	<u>99</u>
TOTAL ICBM	<u>1385</u>		<u>6371</u>
<u>SLBM</u>			
SS-N-23	64	Up to 10	640
SS-N-20	100	Up to 10	1000
SS-N-18	224	Up to 7	1568
SS-N-17	12	1	12
SS-N-8	292	1	292
SS-N-6	<u>272</u>	1	<u>272</u>
TOTAL SLBM	<u>964</u>		<u>3784</u>
<u>AIRCRAFT</u>			
BEAR	135)	Varies according to mission.	
BISON	<u>15)</u>		
TOTAL AIRCRAFT	<u>150</u>	60 ALCM CARRIERS EACH WITH 12 ALCMs	

1. Totals in column A will be reduced to 1600 and those in column B to 6000 under START agreement providing for 50% cuts in strategic warheads.

SECRET WINTEL UK EYES A

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WARSAW PACT: NATO LAND BASED SUB-STRATEGIC FORCES IN EUROPE
OCTOBER 1987

WARSAW PACT		NATO	
SYSTEMS	NOS	SYSTEMS	NOS
<u>LRINF</u> (1000-550 kms range)		<u>LRINF</u>	
*SS20	270	*GLCM	256
*SS4	104	*Pershing II	108
Badger	120	F111	144
Blinder	120		
Backfire (1)	115		
<u>SRINF</u> (500-1000 kms range)		<u>SRINF</u>	
<u>**SCALEBOARD</u>		<u>***Pershing 1A</u>	
(SS-12 Mod 2)	78		72
SCUD	608		
**SS-23	12		
Aircraft	3348(2)	Aircraft	738
<u>SNF</u>		<u>SNF</u>	
FROG	644	Lance	88
SS21	158		
Artillery	6810(3)	Artillery	2720

Notes:

1. Excludes 90 BACKFIRE with Soviet Naval Airforces (SNAF).
2. Includes all Warsaw Pact aircraft with nuclear association. It is not possible to state what proportion would be used in a nuclear role.
3. It is not possible to estimate what proportion of artillery would be used in a nuclear role.
4. Systems marked * will be eliminated within three years of INF agreement entering into force, those with ** within 18 months.
5. *** FRG Pershing 1A will be eliminated within three years of INF Treaty entering into force but not as part of the agreement.

SYSTEMS	LAUNCHERS/ AIRCRAFT	WARHEADS PER MISSILE	MAXIMUM NUMBER OF WARHEADS ON LAUNCHERS
<u>USA</u>	A		B
<u>ICBM</u>			
MINUTEMAN III	528	3	1584
MINUTEMAN II	450	1	450
MX (PEACEKEEPER)	<u>22</u>	10	<u>220</u>
TOTAL ICBM	1000		2254
<u>SLBM</u>			
POSEIDON C3 ON POSEIDON SSBN	256	10	2560
TRIDENT C4 ON POSEIDON SSBN	192	8	1536
TRIDENT C4 ON	192	8	1536
TOTAL SLBM	640		5632
<u>AIRCRAFT</u>			
B52	263)	Varies according to mission.	
FB-111	56)		
B1-B	<u>54)</u>		
TOTAL AIRCRAFT	373	about 144 ALCM Carriers each with 12 ALCM.	

1. Totals in column A will be reduced to 1600 and those in column B to 6000 under START agreement providing for 50% cuts in strategic warheads.

NOTES ON CONVENTIONAL ARMS CONTROL NEGOTIATIONS

(a) Conventional Stability Talks

1. Since February of this year informal NATO/WP discussions have been under way in Vienna aimed at agreeing a mandate for new conventional stability negotiations covering the Atlantic to Urals area, first called for in the Brussels Declaration of December 1986. Progress has been reasonable: the Warsaw Pact have demonstrated a willingness to talk seriously. Both sides are agreed that a primary objective of the talks should be the elimination of the capacity for surprise attack and large-scale offensive action. Substantial divergences however still remain, in particular over the extent of the conventional imbalance in Europe: the Warsaw Pact have importance to specifying in the mandate that any reductions should be not only substantial but also "mutual" to avoid any suggestion of unilateral cuts by the Warsaw Pact alone. Until recently the Warsaw Pact were insisting on the inclusion of tactical nuclear weapons in the negotiations. But there have been signs recently that they may be prepared to modify their demands, provided their concerns over dual capable weapons are met. It is agreed that naval forces will be excluded. It is hoped that agreement on a mandate can be reached by next Easter to allow the negotiations to begin in the summer or the autumn of 1988.

(b) Confidence Building

2. In parallel with the informal "mandate" discussions the CSCE review meeting in Vienna has been discussing how to take forward work on confidence building to follow-up last year's Stockholm Conference. The Western aim will be to build upon and expand the results of Stockholm.

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(c) MBFR

3. Now in its 15th year having started in 1973. There is no prospect of any substantive agreement owing to the East's refusal to accept Western proposals on verification and data. The Alliance are however agreed that MBFR will continue at least until a mandate for the new negotiations is agreed and the Warsaw Pact for their part have shown no disposition to bringing MBFR to a premature close. The Soviet Union have recently proposed a "symbolic" end to MBFR involving the (unverified) reductions of a token number of US and Soviet troops. The West has rejected this as an attempt to side-step their December '85 proposal which likewise provided for limited US/Soviet troop withdrawals but only on condition that the East accepted proper verification of these reductions and a subsequent three year no increase commitment (both of which were rejected by the East).

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The Current Disposition of Conventional Forces in Europe

(a) Central Front

	<u>NATO</u>	<u>Ratio</u>	<u>Warsaw Pact</u>
manpower	790,000 (33 divisions)	1:1.22	960,000 (57 divisions)
tanks	7,800	1:2.14	16,700
combat aircraft	1,250	1:2.12	2,650
artillery	3,000	1:3.07	9,200

(b) Atlantic/Urals

manpower	3 million	1:1.36	4.1 million
tanks	16,800	1:3.02	50,900
combat aircraft	4,300	1:1.79	7,700
artillery	10,600	1:3.41	36,200

CHEMICAL WEAPONS NEGOTIATIONS

1. The CW negotiations formally reconvene on 2 February 1988, although informal meetings are currently taking place in Geneva. The US and Soviet Union have recently agreed to supplement a Convention with a bilateral exchange of data, verified by on-site inspection prior to signature.
2. The Soviet Union has been making a determined effort to raise the profile of CW; and Shevardnadze has recently written to his counterparts represented in the negotiations calling for agreement in 1988. The proposal he made to the Foreign Secretary for a joint Soviet-British working group was fairly obviously to put pressure on the US whose programme of binary weapon production is due to begin on 17 December.
3. Agreement in the next few months is unrealistic given the range and complexity of the remaining problems. A UK paper entitled "Making the Chemical Weapons Ban Effective", tabled by Mr Mellor in Geneva this summer, highlighted some of these difficulties and suggested how they might be handled.
4. But negotiations aside, US doubts about verification have resurfaced in Washington. A review of US CW policy is in progress, although no decisions will be made before the Summit. The Soviet Union, who we think may be aware of US moves, will be quick to exploit any divisions in the alliance or signs that the West is stepping back from its own proposals.
5. We hold periodic bilateral meetings on CW with the Soviets. The last occasion was in August when the main subject was our proposals for challenge inspection (now broadly acceptable to the Soviets). We are prepared to hold another meeting early in the new year. Meanwhile, a US-Soviet bilateral on CW is due to take place in December.



SITUATION IN THE LEADERSHIP AND PROSPECTS FOR PERESTROIKA

1. Gorbachev has made steady progress in bringing into the leadership younger reform-minded people, but a handful of Brezhnev's associates still remain in the Politburo. The promotion to the Politburo last June of Aleksander Yakovlev, who is a strong advocate of democratisation and glasnost, strengthened Gorbachev's position, since it served to dilute the influence of the Party's more conservative number 2, Ligachev (Yakovlev is in the party for the visit). During Gorbachev's absence from Moscow in the summer, tensions in the leadership became apparent - Ligachev and Chebrikov, the KGB chief and Politburo member, publicly expressed doubts about the scope and pace of reform, especially glasnost. Gorbachev's speeches in Murmansk and Leningrad in the early autumn and his book on Perestroika nevertheless demonstrated his determination to advance as rapidly as possible.

2. Gorbachev has since then suffered a significant setback through the political disgrace of Boris Eltsin, a radical whom he himself brought in to head the key Moscow Party organisation in 1985, and whose strong views on corruption and abuse of power in the Party he clearly shared. Although Gorbachev had failed to obtain full Politburo membership for him, Eltsin represented a radical position which was helpful to Gorbachev. There is no obvious replacement for Eltsin as the cutting edge of perestroika, leaving Gorbachev himself somewhat exposed. Ligachev's reassertion of his authority and role in personnel matters over the Eltsin affair meanwhile places a question mark over Gorbachev's future freedom to promote people of his choice to key posts.

3. The affair may have serious implications for the pace of reform. Gorbachev's customary sense of urgency and reforming zeal were much less marked in his 70th anniversary speech on 2 November, when he adopted a relatively "balanced" approach. This is likely to encourage the large numbers of opponents of perestroika, particularly in the Party and government bureaucracies, to use the pretext of patience and caution to undermine the momentum behind the reforms. The Party in particular seems uncertain what its future role will be under democratisation and economic decentralisation.



At a meeting in the Central Committee on 20 November, Gorbachev attempted to reassure the Party that its leading role remained as before but explained that in the next phase of perestroika when reforms would have to be put into effect, it would have to take new forms. He did not clarify what these would be.

4. Against this background of political uncertainty the special Party Conference, set to open on 28 June 1988, looks likely to be of considerable importance. It is clear that Gorbachev would like to use the occasion to make significant changes to the composition of the Central Committee, the majority of whose current members are not his natural supporters. He evidently also wishes to extend democratisation by introducing limits to terms of office in the Party and elsewhere, a policy Ligachev has explicitly rejected. Gorbachev stressed in his 2 November speech that economic reform would fail without practical implementation of democratisation in society. But this democratisation may dilute the Party's authority, particularly at lower levels.

5. The political base in the Party for radical reform meanwhile remains narrow. Now that Eltsin has gone, only Yakovlev and perhaps Shevardnadze among the leadership fully share Gorbachev's radical determination. This explains Gorbachev's attempts to appeal over the heads of the Party to the intelligentsia and the public. But there is little sign of wide public enthusiasm for his kind of reform. Gorbachev has great power as General Secretary of the Party and a very strong personality but his difficulties are immense. Further tension in the leadership looks likely, particularly when the economic reforms start to bite bringing with them administrative difficulties and a probable reduction in subsidized prices.



SOVIET ECONOMIC REFORM

Soviet economists have identified three main objectives of the economic reform programme: to change the balance of the economy towards increased living standards and the resolution of social problems; the modernisation of industry to improve the efficiency of production and qualities of output; and the reform of management practice.

The main economic reform package was put forward at the June plenum of the Central Committee. It coincided with the publication of an article by an economist (Shmelev) which savagely criticised the economic system and put forward radical proposals, many of them characteristic of a market economy. It became clear at the plenum that the Soviet leadership is now persuaded that it is no longer possible simply to tinker with the existing economic system. It is therefore to be replaced by a system in which most economic decisions are made at enterprise level, with the State Planning Commission (the supreme planning organisation in the government) assuming the role of strategic planner, with the task of formulating plans for only a few vital items of production and of ensuring the provision of adequate resources to key sectors such as defence.

New methods of management are outlined in the Law on the State Enterprise. The aim of the new methods is to give enterprises as much independence as possible and to give workers a larger say in running their enterprises. Instead of detailed plans for all products, there will be state orders, by which centrally-run sectors of the economy will ensure production of essential items, and "wholesale trade in the means of production" - a decentralised, market-orientated system of contracting for supplies of raw materials etc by enterprises. The law provides for the election of managerial staff by councils of workers and a degree of accountability by managers to their workforce.

The law also contains references to reforms in specific sectors (some of which are still under discussion) and which are set out in detail in 10 additional decrees finalised after the June plenum debates. These cover:



science and technology
planning
the supply system
finance, prices, banks

statistics
the role of the ministries
republic administration
social policy and labour

The majority of these reforms are to be in place by 1991. Enterprises are to be self-financing and will be able to keep a stable proportion of their profits while receiving no more subsidies from central funds. They will be able to increase wages in relation to their profits, and will be encouraged to shed surplus labour. To some extent they will be able to negotiate prices with consumers but some prices will continue to be set by the central authorities. Persistently loss-making enterprises face the prospect of closure, and redundant workers will be able to claim benefits for up to 6 months while they find a new job. However, Gorbachev has rejected the idea of unemployment as an incentive to work harder (proposed by Shmelev).

The wholesale and retail price structure, which at present costs the Soviet government 73 billion roubles annually in subsidies, out of a total budget of 430 billion roubles, is to be overhauled within the next 2-3 years. Gorbachev has promised a public debate on price reforms, recognising the controversial nature of increases in retail prices for food (to eliminate the 50 odd billion rouble subsidies to agriculture) and the need to compensate for price increases. Pay, pensions and allowances will have to be adjusted to protect the poorer members of society from the effects of such increases.

The financial system and the banks are supposed to play an enhanced role in the economy, with emphasis on the role of repayable bank credit to enterprises. Four new sectoral banks have been set up, including a bank for Workers' Savings and Credit for the People, which will issue cheque books to savers from December 1987, initially only in the RSFSR.

Changes in the agricultural system are also in progress and a Central Committee plenum on this area has been promised by Gorbachev next year. The trend is towards family farms as highly efficient units of production, particularly on marginal land and in the

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livestock sector. There are plans to lease land to families or groups of people on a long-term basis. Gorbachev himself seems personally committed to this policy.

Soviet leaders have acknowledged that things will probably get worse in the economy before they get better. The effect of tighter quality controls imposed this year in only 1500 of the best enterprises, bears this out. Gorbachev's insistence in 1985 on an annual growth target of 4% has apparently been tactily abandoned in favour of qualitative improvements rather than quantitative growth for its own sake. The greater involvement in world trade advocated by Gorbachev will be difficult to achieve without a major improvement in quality of manufactured goods and convertibility for the rouble.

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GORBACHEV, Mikhail Sergeevich

General Secretary of the CC CPSU; Member of the Presidium of the USSR Supreme Soviet; Chairman of the Defence Council.

Gorbachev (56) spent his early career in the Stavropol region (a heavily agricultural area) of Southern Russia, apart from 4 years spent studying law at Moscow University. He rose through the Stavropol Komsomol and Party organisations, eventually becoming First Secretary of the regional Party Committee (1970-1978). From this post he was brought to Moscow in 1978 as Party Secretary responsible for agriculture, and in the course of the next two years progressed via candidate to full membership of the Politburo. In March 1985 Gorbachev succeeded Chernenko as General Secretary. Gorbachev has not so far followed the example of his predecessors and become President: he remains a member (one of 21) of the Presidium of the Supreme Soviet. This is typical of his generally less formal profile. During his visit to the UK in December 1984, a few months before he became General Secretary, he and his wife made a strong impression on the British press as a relatively young and unstuffy couple able to hold their own in most situations. At home too Gorbachev's manner is easy and confident, and his set speeches are lively, well written and well delivered.

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GORBACHEVA, RAISA MAXIMOVNA

Mrs Gorbachev was born in 1932 in Siberia, the daughter of a Ukrainian railway official. We cannot confirm press reports that he was an economic adviser to Lenin or Stalin, but these seem very unlikely. We have no knowledge of her childhood years. At Moscow University in the 1950s, where she was studying philosophy, she met and married Mikhail Gorbachev and returned with him to his native province of Stavropol, in southern Russia. She taught at Stavropol Agricultural Institute and wrote a sociological treatise on the local kolkhoz peasantry. (She is a D.Phil.)

On Gorbachev's transfer to Moscow in 1978 as Central Committee Secretary for agriculture, Mrs Gorbachev began teaching at Moscow University, but she says she has given this up since her husband became General Secretary.

The Gorbachevs have a 31-year old daughter Irina, a therapist, who is married to a surgeon specialising in cardiovascular diseases; their daughter Oksana is 7.

Mrs Gorbachev is the first wife of a Soviet leader to have a publicly-acknowledged official function in her own right. In November 1986 she was elected one of 11 members of the Presidium of the newly-formed Soviet Culture Foundation and she has made several public appearances in that capacity.

Mrs Gorbachev is known to be keenly interested in fashion, and she was closely involved in the much-publicised West German fashion show held in Moscow in March 1987, to launch the publication of the fashion magazine Burda in the Soviet Union. Her other interests are on a more intellectual level, and she takes a keen interest in philosophy, sociology and literature. She claims to be well read in English literature (in translation) and is said to be learning English seriously (she was taught it at school but remembered very little). She claims Thackeray as one of her favourite British authors and the Prime Minister presented her with a first edition of Vanity Fair during her visit to Moscow in March.

Mrs Gorbachev has accompanied her husband on many of his trips abroad.

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