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From the Private Secretary

7 December 1987

SUBJECT CCMASTER

Dear Tony,

PRIME MINISTER'S MEETING WITH MR. GORBACHEV

The Prime Minister had a meeting with Mr. Gorbachev when he stopped at Brize Norton today, on his way to the US/Soviet Summit in Washington. They talked together for just over an hour, with only Mr. Chernayev and me present. They continued their discussion over lunch. I have had a brief account of this latter talk from the Prime Minister. Mr. Pollock, who interpreted, will do a fuller note. The Prime Minister has subsequently spoken to President Reagan on the telephone and given him a full account of her meeting. I am recording their conversation separately.

General

The talk with Mr. Gorbachev was very lively and vigorous. Mr. Gorbachev was in high good humour although he bristled rather when the discussion turned to human rights and Afghanistan. Since both he and the Prime Minister were determined to say a great deal in a relatively short time, not everything they said was interpreted once the general drift became clear. Now and again both were talking at the same time. Recording their remarks was therefore rather more difficult than usual.

Developments in the Soviet Union

The Prime Minister showed Mr. Gorbachev that she had a copy of his book on perestroika. Mr. Gorbachev said he would send her another, which he would dedicate to her personally. It was not so much a book as a collection of thoughts and reflections. The Prime Minister would recognise many of the ideas in it because they had emerged from his discussions with her. The Prime Minister said she had already read much of the book and saw it as a testament to Mr. Gorbachev's hopes.

Mr. Gorbachev said that he appreciated the Prime Minister's public comments about perestroika. He knew that it reflected serious and constructive interest on her part. Although the two of them belonged to different social and political systems, he had found that they were able to have remarkably good and vivid exchanges about common problems.



The Prime Minister said that talking freely was the best way to get rid of misunderstandings. Mr. Gorbachev continued that he wanted to say to the Prime Minister personally, since there was a rather special relationship based on mutual sympathy between them, that he was ready to go a very long way indeed with the policy of perestroika. There was a clear consensus on this in the Soviet leadership. Certain things led to debate or even dispute. That was only natural. They concerned the priorities, the tempo and the methods of perestroika but not the basic objective. He was determined to bring about far-reaching change and a process of democratization. There had been attempts in the past to break away from the mould established by Stalin, of which the boldest was that of Krushchev. But his reforms, and those in Brezhnev's time, had failed because they were essentially only half measures. They had not gone far enough and had any way affected only the people at the top. This time he was trying to make changes irreversible by involving all members of society in them through the process of democratization, economic reform and decentralization. He was trying to get down to the level of the individual and involve him directly in reform. At the same time, he had to be careful not to cause havoc.

The Prime Minister said there were two sorts of politicians: those who ran up against problems and simply stopped: and those who drove through the problems to grasp the opportunities which lay beyond them. In her experience it was vital to keep going in the direction you had chosen and not to be put off because of criticism. Criticism and problems always emerged long before the benefits of bold policies. She had noticed that Mr. Gorbachev was constantly explaining his objectives to the people. She was sure this was right. Mr. Gorbachev interjected that the Prime Minister's understanding was remarkable. The Prime Minister continued that her own first two years in office had been the most trying but she had pressed on. The most difficult undertaking of all was to change people's attitudes.

Mr. Gorbachev said that, when he was asked if there was opposition to his line, he always replied that the most serious opposition was that which came from from the old psychology. He had to change attitudes. The next two or three years would undoubtedly be difficult. The Prime Minister said that she found it irritating that the exponents of the old psychology in the Soviet Union were described as conservatives. She wanted nothing to do with Mr. Gorbachev's conservatives. (Mr. Gorbachev thought this a tremendous joke.) Recent visitors to the Soviet Union had told her there was a very different feeling in the country. Mr. Gorbachev said that there was a great deal of debate and ferment within the Communist party about the application of perestroika. Some of the reports about progress with it had been judged inadequate and thrown out. A number of local party leaders had been relieved of their duties. There were interesting processes afoot which he was trying to stimulate. He genuinely believed that Soviet society was coming out of its state of social apathy. This was vital for the success of



perestroika. That said, he did not agree with everything that was happening and was having to fight against certain trends.

The Prime Minister asked whether Mr. Gorbachev was getting the support of sufficient enthusiasts at the local level to motivate others. Mr. Gorbachev said that they were becoming more numerous every month. There had been hesitations at first but now active people were coming forward. Next year's party conference would be a very important event. It would have to answer two questions: were the policies of perestroika working? And what further measures were needed to extend democracy? The conference would decide major steps in this latter field. At the moment the Soviet Union had the democracy of assemblies. But democracy needed a proper legal foundation to make it irreversible. The Prime Minister recalled that she had recently seen Academician Aganbegyan, Academician Marchuk and Mr. Tolstykh. Yes, said Mr. Gorbachev, they told me that you had subjected them to pretty rigorous examination. They were supposed to share with you as fully as possible our thinking on change in the Soviet Union. The Prime Minister said that she had indeed found the discussions very useful.

#### Bilateral relations

Mr. Gorbachev said that mention of these visits led him on to relations between Britain and the Soviet Union. Certain things seemed to be preventing economic and commercial relations from developing at the pace on which he and the Prime Minister had agreed during her visit to Moscow. The Prime Minister said that trade was not increasing as rapidly as it should. We were particularly concerned about the lack of progress with the project for an automatic process controller at Yerevan. A letter of intent had been signed during her visit but there was still no contract. Mr. Gorbachev said that he had discussed this matter with Mr. Kamentsev on the aircraft. He thought that he could say with confidence that the period of argument was coming to an end. In that case the period of action can start, rejoined the Prime Minister. Mr. Gorbachev continued that British companies must be competitive. They had lost several contracts because they had submitted bids which were simply not competitive enough. The Soviet Union was rapidly learning the laws of competition. The Prime Minister said that our exports elsewhere were doing very well. Mr. Gorbachev said once again that he had discussed all this with Mr. Kamentsev. When he had asked Mr. Kamentsev what he should say to the Prime Minister, Mr. Kamentsev had told him to say that the agreement reached in Moscow to increase the volume of trade by 40% was attainable and realistic. The Prime Minister said that we would persist.

Mr. Gorbachev continued that he was pleased with the development of Anglo-Soviet relations on the broader front. The Prime Minister said that she was keen to keep up the momentum. She would like there to be a new spirit in these relations in the remaining years of the century. Mr. Gorbachev said that he appreciated and estimated highly



the Prime Minister's position on many major international problems. Of course there were differences, but then there were differences even within the Politburo on some matters (and in the Cabinet said the Prime Minister). But overall he thought there was a high degree of understanding between them on international matters.

#### Arms control

The Prime Minister said that she and her fellow heads of government in Western Europe were fully behind the INF agreement. There appeared to be some doubters in the United States, but she had made clear her own full support for the agreement. It would be a very important step forward. Mr. Gorbachev said that he was pleased to hear the Prime Minister's statement. The agreement had been a joint endeavour. Both the United States and the Soviet Union had negotiated with the agreement and support of their allies. That was the right way to do it. He could not answer for the United States, but the Soviet Union would never do anything to damage Europe. The Soviet Union was part of Europe, and if the world was to move from confrontation to co-operation, then Europe would have a unique role. He wanted to put on record formally that the Soviet Union would not take a single step to infringe Europe's security or to destabilise it.

The Prime Minister said that she and Mr. Gorbachev were at one in believing that every country had to safeguard its defence. But if greater trust could be built up, adequate defence could be found with lower levels of forces and weapons than existed at present. The crucial point was that reductions should be balanced so that neither side felt more vulnerable or less secure because of them. Moreover reductions needed to cover the whole spectrum of weapons. Mr. Gorbachev said that he agreed entirely with the Prime Minister. That was one reason why the Soviet Union had proposed negotiations to reduce conventional forces. He could not understand why the West was - to use a Russian expression - rushing around like a cat round hot porridge in Vienna. It had proved possible to solve the problem of reducing minimum and shorter range nuclear missiles. It should be possible to do the same with conventional forces. He intended to press President Reagan hard on this issue.

The Prime Minister said that she would set out her thoughts on the way ahead in arms control. We very much welcomed the verification measures which had been included in the INF agreement. They were unprecedented and a great step forward. Mr. Gorbachev interjected that they were indeed a very important achievement, not least because they would build up experience which would be crucial for verifying an agreement on strategic nuclear weapons. Effective verification would be even more important for that. The Prime Minister continued that she had talked to Mr. Carlucci recently and had the impression that the prospects for a START agreement were promising, although there were still differences on sub-limits. A particular problem for the Americans was that of verifying mobile ICBMs. She hoped that



Mr. Gorbachev would be taking new proposals on this to Washington because otherwise the negotiations might run into serious difficulty. Mr. Gorbachev interjected that the Americans had mobile missiles, in their case in submarines. They had their concerns, the Soviet Union had its own worries. The Prime Minister continued that submarines were of course mobile. But SLBMs were second strike weapons and anyway the Soviet Union had them too. Mobile, land-based missiles were destabilising weapons and it was therefore particularly important to find ways of putting limits on them and verifying those limits. Her own view was that we should be putting behind us notions such as first strike weapons and entering a new period. She very much hoped that an agreement on 50% reductions in strategic nuclear weapons could be reached. Mr. Gorbachev said that he was confident the problems the Prime Minister had described could be overcome and an agreement would be reached.

The Prime Minister went on that we would nonetheless need to keep a certain number of nuclear weapons for deterrence. They had proved themselves the most effective means of preventing war. Mr. Gorbachev said that this was a course which he and the Prime Minister had been round before. After they had discussed it last time he had thought to himself: does she prefer talking in easy chairs or sitting on a powder keg? His own preference was for an easy chair. If you were sitting on a powder keg you would constantly worry that it might blow up. It was morally wrong to rely on nuclear weapons for defence. He accepted that the reality was that nuclear weapons existed. Both East and West had embarked on the right road of reducing them. He still hoped that the Prime Minister would change her way of thinking about nuclear weapons. He wanted to emphasise that he was speaking in a very friendly and not a hostile way. The Prime Minister said that chemical and conventional weapons were no less a powder keg than nuclear weapons. If there were ever a conventional war in Europe again it would cause destruction and mayhem on a scale never before known. Mr. Gorbachev agreed. That was why he proposed tackling those weapons. He was not defending conventional war or conventional weapons. The Prime Minister said that if a town was destroyed by bombs, the people in it would not say "three cheers our town was obliterated by conventional bombs not nuclear bombs". The fact was that you could not disinvent nuclear weapons. It was better to recognise this and keep a number of such weapons to deter war of any sort. That was why the United Kingdom would keep an irreducible minimum nuclear deterrent.

Mr. Gorbachev said he wanted to put a direct question to the Prime Minister. At what point would the United Kingdom join in nuclear disarmament? The Prime Minister said that we would certainly not do so yet. We had only four submarines carrying nuclear weapons, which meant that generally there were only two on station. That was close to an irreducible minimum. Negotiations to reduce Soviet and American nuclear weapons would have to go very much further than the 50% reductions envisaged at present before we could consider including our own nuclear weapons in the negotiations.



Moreover we had to take account of the possibility that other countries would obtain nuclear weapons over the next decade. Mr. Gorbachev said that the Prime Minister had given him rather a roundabout answer. The Prime Minister said that was not her intention. The point she wanted to make was that we were determined to retain a last resort deterrent and it was hard to see how it could be significantly less than what we now had. But if the Soviet Union and the United States were eventually to reduce their nuclear weapons by much more than 50%, then obviously we would have to consider whether we should also contribute to the process.

The Prime Minister said that she and Mr. Gorbachev seemed to be agreed that the next priorities were a 50% reduction in strategic nuclear weapons and negotiations to get rid of the grave imbalance in the Soviet Union's favour in chemical and conventional forces. We would work for that. But she was concerned about the difficulties of verifying an agreement on chemical weapons. Mr. Gorbachev said that the Prime Minister was making a very important statement about chemical weapons. He agreed that these weapons were frightful. The Soviet Union wanted to get rid of theirs. There had been good co-operation with the United Kingdom in the negotiations about this and the Soviet Union had supported various British initiatives, changing its own position in the process. But he was puzzled why we suddenly seemed to have lost momentum. Was someone preventing us from following our ideas to their logical conclusion? The Prime Minister said that the problem lay with the difficulties of verification to which she had referred. But we continued to attach importance to an agreement on chemical weapons and it was vital to get down to further negotiations. Mr. Gorbachev commented that he would be pressing this matter in the United States.

The Prime Minister said she also wanted to mention strategic defence. It was a step forward that Mr. Gorbachev had admitted publicly that the Soviet Union was also doing research. It would be wrong to allow this exploration by both sides of the possibility of strategic defence to block a START agreement. She thought that a solution could be found on the lines that she had suggested when she had been in Moscow in March. Both sides needed stability and predictability. She did not believe there was any serious likelihood that the United States would deploy an SDI system by 1994 as some had suggested. The right course was to agree a period of years during which neither side would withdraw from the ABM Treaty. It was up to the Americans and Russians, not to her, to put a figure on that. At the same time both sides should spell out their intentions in the field of research, so they could both see that there were no nasty surprises in store. Mr. Gorbachev asked how it would be possible to verify that neither side was concealing anything. The Prime Minister said that you could not verify research. But each side would have the assurance of a detailed statement of the other's research intentions and of non-withdrawal from the ABM Treaty. Taken together these should create sufficient confidence. Mr. Gorbachev said that he had two important questions to pose. Did the United Kingdom still regard the militarization



of space as impermissible? And had we changed our view on the importance of strict observance of the ABM Treaty? The Prime Minister said that, on the contrary, she was stressing the continuing importance of the ABM Treaty and suggesting that the period of notice required before withdrawal from it should be extended. Moreover, it was accepted that there would have to be negotiations before deployment of a strategic defence system. Her aim was to get to a position in which it was clear that neither side would act suddenly or unilaterally. Mr. Gorbachev said that the United Kingdom should take a balanced view of this problem and not lean towards the United States' side. The Prime Minister should also help the Soviet Union preserve its interests. In any event, the period of seven years proposed by the Americans for non-withdrawal was too short. The Prime Minister said that the fact was that research would be done, to the point of establishing the feasibility of strategic defence. There was no point in trying to stop it or constrain it. The right way was to create confidence about each side's intentions and minimise the likelihood of a break-out.

#### Human Rights and Afghanistan

The Prime Minister said that doubts were being expressed by some members of the US Senate about the INF Treaty. In her view the Senate would ratify the agreement but it would take strenuous efforts by the Administration to achieve that. The best way in which the Soviet Union could help these efforts would be to step up the improvements in human rights which Mr. Gorbachev had already begun to implement and by setting an early date for withdrawal from Afghanistan. An improvement in human rights' performance was the way to win the hearts and minds of the American people. She recognised that greater numbers of people were being allowed to leave the Soviet Union, although the figure was still well short of that of the late 1970s. But the more Mr. Gorbachev was able to do on emigration, family reunification and relaxation of repressive laws in the Soviet Union, the better. In the case of Afghanistan, she recognised the difficulties of withdrawal and accepted that Mr. Gorbachev genuinely wanted the Soviet Union to leave. She hoped that he would have the courage to take that step in 1988.

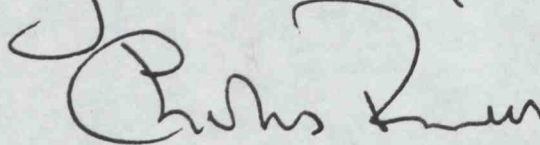
Mr. Gorbachev, who by now was getting very restless, said that a solution in Afghanistan would be made easier if the United Kingdom would stop supplying the rebels with missiles which they used to shoot down civilian aircraft, and if the United States were similarly to stop supplying weapons. Then all the components of a solution would be in hand. As for human rights, he recalled the reply which he had given when he had been challenged about this when talking to British Members of Parliament in 1984. Each country should concern itself with its own affairs. The Soviet authorities would continue to proceed on the lines which they thought right. He was glad that the Prime Minister had noted the changes which had been made.



Further visit

The Prime Minister said that she very much hoped that Mr. and Mrs. Gorbachev would return for a full visit to the United Kingdom, perhaps next year. Mr. Gorbachev said that they would very much like to come and that next year might be possible, although he was not at present able to say exactly when it might be.

I am copying this letter to John Howe (Ministry of Defence) and to Sir Robert Armstrong, with the proviso that it should receive a very limited circulation. I am copying the section on trade to Alison Brimelow. Copies of the whole letter may be shown, on a personal basis, to Sir Antony Acland and Sir Bryan Cartledge.

*Yours sincerely,*  


(C.D. POWELL)

A.C. Galsworthy, Esq., C.M.G.,  
Foreign and Commonwealth Office.





10 DOWNING STREET

Prime Minister

You may like  
just to glance  
at the note of  
your talk with  
Mr. Herbach.

CDP

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