



10 DOWNING STREET

From the Private Secretary

23 December 1984

Je v 3
cpc

Dear An,

PRIME MINISTER'S VISIT TO WASHINGTON :
21/22 DECEMBER 1984

I enclose records of the Prime Minister's meetings with President Reagan at Camp David on 22 December. I should be grateful if they could be given only a restricted distribution.

As will be evident from the records, the greater part of the talks was devoted to the Strategic Defence Initiative. Most of the other issues were touched on only relatively briefly. At the end of the discussion on SDI the Prime Minister instructed us to prepare a statement which she could make to the press setting out carefully the position reached in discussion with President Reagan, and identifying the points of agreement. This should be agreed with the Americans. We produced the enclosed text, which was then agreed with minor modifications with Macfarlane and Burt, and was subsequently approved by the President and the Prime Minister during lunch. Since it is an important statement of British and American views on this subject, you will wish to give it a wide distribution. The Prime Minister has commented that we should draw upon it in preparing a draft reply to President Chernenko's message.

I should record that the Prime Minister did not hand over to President Reagan the paper entitled Ballistic Missile Defence and Anti-Satellite Systems.

I am sending copies of this letter and the full records to Richard Mottram (Ministry of Defence), David Peretz (HM Treasury) and Richard Hatfield (Cabinet Office). The record of that part of the discussion dealing with civil aviation goes to Callum McCarthy (Department of Trade and Industry), Dinah Nichols (Department of Transport) and Henry Steel (Law Officers' Department).

Yours sincerely,
Charles Powell

C.D. POWELL

L.V. Appleyard, Esq.,
Foreign and Commonwealth Office.

TEXT OF PRIME MINISTER'S STATEMENT ON SDI AT PRESS CONFERENCE
IN WASHINGTON ON 22 DECEMBER AS AGREED WITH PRESIDENT REAGAN

President Reagan and I have had a very thorough and extensive discussion of the prospects for arms control negotiations, in the course of which we also naturally touched on the Strategic Defence Initiative (SDI).

I was not surprised to discover that we see matters in very much the same light. I told the President that I had made it absolutely clear to Mr. Gorbachev that there was no question of the Soviet Union being able to divide the United Kingdom from the United States on these matters. Wedge-driving is just not on.

I told the President of my firm conviction that the SDI research programme should go ahead. Research is of course permitted under existing US-Soviet treaties; and we of course know that the Russians already have their research programme, and, in the US view, have already gone beyond research.

We agreed on four points:

- 1) The US, and Western, aim was not to achieve superiority, but to maintain balance, taking account of Soviet developments;
- 2) SDI-related deployment would, in view of treaty obligations, have to be a matter for negotiation;
- 3) The overall aim is to enhance, not undercut, deterrence;
- 4) East-West negotiation should aim to achieve security with reduced levels of offensive systems on both sides. This will be the purpose of the resumed US-Soviet negotiations on arms control, which I warmly welcome.

Subject on
Soviet Union,
UK Relations
p. 3

Pl. sent
- file
(given to
White House on
22xii)
PDP

MEETING WITH PRESIDENT REAGAN: GORBACHEV

I spent about five hours with Gorbachev last Sunday. He gives the impression of confidence and authority. He is relatively open in manner and intelligent. He is affable and has some charm and humour. He listens carefully to what the other person says. He talks readily and, in contrast to the stultified manner of Soviet leaders, does not just stick to prepared statements. He picks up points made in discussion and responds to them. He was clearly not used to the sort of rigorous questioning which he got from me on things like human rights in the Soviet Union and Soviet payments to our mine-workers' union. But he kept cool and avoided the usual Soviet reaction of reciting lengthy positions of principle. He went to great pains to invoke Chernenko's name frequently in discussion as a source of authority for his remarks. I certainly found him a man one could do business with. I actually rather liked him - there is no doubt that he is completely loyal to the Soviet system but he is prepared to listen and have a genuine dialogue and make up his own mind.

I got the impression that in some ways he was using me as a stalking horse for you. He questioned me very closely on American motives and intentions for the Geneva talks and was clearly interested to obtain a first hand and informed impression of you and your main colleagues and of your policies. At the same time, he was on the look-out for possible divergences of view between us which might be exploited to Soviet advantage. I made it absolutely clear to him that we are loyal members of the Alliance and right behind you.

On the substance of my talks with him - and those which Geoffrey Howe had the following day - the most striking point was the amount of time devoted to the threat of an arms race in outer space. His line was that if you go ahead with the SDI, the Russians would either have to develop their own or, more probably, develop nuclear weapons that would get past your SDI defences. He made much of the role of the ABM treaty as the key-stone to arms control negotiations and said that if events proceeded to the point where the ABM treaty was irrevocably undermined, the prospect of any further agreements thereafter would be minimal.

/ He was not

He was not very precise on the scope of the negotiations which he expected to emerge from the Geneva meeting, but seemed to expect them to cover space, strategic nuclear weapons and INF. He made much of the difficulties which the Soviet Union had faced in deciding to go to Geneva.

On the other hand, he showed a keen awareness of the penalties of spending yet more resources on defence and agreed with the concept of achieving balanced security at lower levels of weapons. He claimed that the Russians would be ready to come to Geneva with serious new proposals and referred to Chernenko's remark that the Soviet Union would be ready to agree to the most radical measures. He appeared at one point to be saying that the SDI was simply an attempt by the United States to establish a bargaining position and that if that was the case, the Soviets could play the game and bargain as well as anyone. But the over-riding impression left was that the Russians are genuinely fearful of the immense cost of having to keep up with a further American technological advance and are therefore prepared to negotiate seriously on nuclear weapons if they believe that you are politically committed to reductions.

I left him in no doubt that we did not see SDI in the same light as he does: still less did we see it as linked in any way to a US first strike strategy. I stressed your profound sincerity in the search for balanced arms control and a reduction in nuclear weapons. I warned him of trying to drive wedges between the Allies: we were at one on this issue.

These were the main points which arose in his talk with me. He also saw Geoffrey Howe the next day and I understand that Geoffrey will be sending George Shultz a message giving his impressions and details of other steps which they discussed in rather more formal surroundings.