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PRIME MINISTER

MEETING WITH KARPOV

You are to see Karpov together with the Soviet Chargé d'Affaires tomorrow morning. He goes on afterwards to a separate meeting with Lady Young and officials.

The folder contains:

- analysis of the outcome of Reykjavik meeting;
- points to make;
- telegram on Shultz briefing;
- telegram from Moscow.

I strongly commend the two telegrams. Bryan Cartledge assesses that Gorbachev was probably not playing for a break-down and that the outcome may damage his personal standing in the Soviet Union: the second time he has had an unsuccessful meeting with Reagan.

You will want to let Karpov know right at the beginning that you have had a personal briefing from President Reagan. Shultz has briefed the Alliance. If the Soviet Union hoped to open up and exploit differences between the United States and Europe, they will be disappointed. We shall not be separated and there was impressive unity at yesterday's NATO briefing.

You might then ask him to give his account of what happened at Reykjavik.

Thereafter you will want to make clear that in our view the Soviet Union bears the responsibility for the failure to reach agreement. By making agreement on all issues dependent on acceptance of their terms on SDI, they doomed the meeting to failure. You hope that Mr. Karpov will be able to convince you that this was not the Soviet intention and it was not a 'set-up'.

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The best way to do so would be to continue the negotiations on the individual sectors, and work for agreement on INF and other areas where the Reykjavik discussions showed that agreement was possible. If the Russians now walk away from further talks in Geneva or elsewhere they will carry a very heavy responsibility.

You might go on to ask for a detailed account of the Soviet position on SDI and how the Soviet Union's own extensive research programme fits with their attempt to re-write the terms of the ABM Treaty. You cannot understand the Soviet obsession that SDI is an offensive system: President Reagan has made quite clear that its sole purpose and rationale is defensive.

Finally you will want to make clear that you remain ready to continue to discuss these matters with Mr. Gorbachev and look forward to taking up his invitation next year.

After the meeting we shall want to be able to say to the press that you saw Karpov as Gorbachev's emissary and heard his account of Reykjavik: that you left him in no doubt that we saw the Soviet Union as responsible for the deadlock in Reykjavik: that you urged the Russians to continue negotiations to build on the progress which has been made: and that you warned against attempts to divide the Alliance.

CDP

Charles Powell

13 October 1986

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Foreign and Commonwealth Office

London SW1A 2AH

13 October 1986

*Dear Charles*

US/Soviet Reykjavik Meeting: Call by Mr Karpov

Mr Viktor Karpov, Head of the Soviet Delegation to the Geneva Nuclear and Space Talks and of the Soviet MFA Arms Control Directorate, will make a short call on the Prime Minister at 0915 tomorrow. He will be accompanied by the Soviet Charge d'Affaires, Mr Gventsadze, and an interpreter. He will go on to a further meeting with Lady Young and FCO officials (at about 0945).

/ I enclose some points to make and questions to put to Mr Karpov, together with our immediate assessment of what happened at Reykjavik; the reasons for the breakdown; and what next?

/ Mr Shultz briefed NATO Ministers earlier today (UKDEL NATO telno 283 - enclosed). I understand from Mr Renton that this was a most impressive performance.

I am copying this letter and enclosures to John Howe (MOD) and Michael Stark (Cabinet Office).

*Yours ever*

*R N Culshaw*

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Private Secretary

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## US/SOVIET REYKJAVIK MEETING: PROVISIONAL ASSESSMENT

What happened at Reykjavik?

1. The picture emerging is as follows. In Secretary Shultz's words, "extremely important potential agreements were reached" in the following areas:-

- to reduce strategic arms by half, leading to their complete elimination <sup>(maybe even</sup> /within 10 years). The arms control working group virtually agreed language on this for a joint statement.

- on INF, zero/zero in Europe with 100 Soviet missiles in Asia and 100 US missiles on American soil; and a freeze on SRINF followed by negotiations on their removal. Gorbachev confirmed that the Russians had dropped their demand for a ban on the increase and modernisation of British and French nuclear forces ("let them be increased and further improved") though they constituted a "major potential" and an "organic part of NATO's nuclear potential".

- "progress in the area of nuclear testing" (Reagan);

- "a satisfactory manner of addressing regional issues, humanitarian concerns and a variety of bilateral matters." (Shultz). Language was agreed in these areas.

2. In the final session, Reagan offered a ten-year delay in SDI deployment in exchange for <sup>an agreement to work for</sup> the complete elimination of all US and Soviet ballistic missiles. (Shultz added "all offensive strategic arms", and Regan "all nuclear weapons - bombs, shells".) He insisted that the US should do research, development and testing, which is permitted by the ABM Treaty", but Gorbachev insisted that "the treaty should be strictly observed with no testing outside the laboratory".



Reasons for the breakdown

3. It is clear that Gorbachev chose to make SDI, and the specific question of whether the ABM Treaty permitted anything more than laboratory research, the sticking point. In effect he reverted to the Soviet position of a year ago, linking the possibility of reductions in strategic and intermediate range nuclear forces to this constraint on SDI.

4. In the lead-up to Reykjavik Soviet propaganda had focussed on nuclear testing and INF, on which an interim agreement was expected. Gorbachev himself had spoken of a need for headway on 2 or 3 issues if the Washington Summit was to take place, but had laid down no prior condition relating to SDI. It was always to be expected that Gorbachev would play "the SDI card" at some stage. What was surprising was the vigour with which he played it yesterday, in effect bringing the arms control process to a halt. The measure of agreement (as yet undefined) on such sweeping terms for INF and START was undoubtedly linked in this overall Soviet strategy.

5. It is possible that Gorbachev set out deliberately to provoke a breakdown. He may have decided some weeks ago that there was no chance of getting what he wanted on SDI at the Washington Summit; and that the outcome would be therefore unacceptably negative from his point-of-view, whatever was agreed on eg INF. He therefore was prepared to give the US side at Reykjavik much of what they sought in other areas, but always intending to cut off the process by re-inserting the SDI spanner before a Summit proper became inevitable. Such a strategy would also help to preserve his public relations position, by contrasting the "great potential achievements" with the "single sticking-point". But it seems as likely that he genuinely hoped to persuade the President to make concessions that would, in effect,

kill off the SDI. On this hypothesis, he went to Reykjavik determined to avoid an unproductive Washington Summit (in SDI terms), but still not wholly certain that the President would not give enough ground. When the latter did not occur, he implemented the fall-back strategy. He used the US readiness to negotiate sweeping agreements in INF and START in an attempt to apply leverage on SDI, but found the President's resolve to preserve his SDI programme unaffected. He may have thought the President's desire for agreement at a Washington Summit offered greater leverage than would be available at any future date.

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6. In terms of public relations, the Soviet Union are well-placed. Gorbachev took the initiative in proposing the Reykjavik meeting and (at least in public) kept it. The Soviet position on human rights was eased by the release of Orlov, Ratushinskaya and others; the limited withdrawal from Afghanistan was timed to follow the meeting; Raisa Gorbachev and an active Soviet briefing team kept the media's attention in Reykjavik; and the Russians are now sending Karpov and other emissaries to NATO capitals. It will therefore be all the more necessary to establish quickly and publicly the unreasonableness of the Soviet position of making agreements across the board depend on wholesale acceptance of their position on SDI.

What now?

7. There is now little prospect of a summit in the US taking place in next few months. The prospect of a Moscow summit in 1987 has correspondingly receded. But it is strongly in our interests that the Geneva Nuclear and Space Talks should continue; and neither side has suggested they be interrupted. Gorbachev said that the Soviet Union would not withdraw its proposals. Moreover he left the door open to "new" thinking on the US side. At his press conference he said it was necessary for the President and

for him to consider further the whole situation and "to come back again and attempt to settle this divide between us". The US position is unlikely to develop further before the Congressional elections.

8. The principal danger now is that the Alliance will not be able to rally round the US on the issue in dispute - SDI. The need for Alliance consultation and solidarity will be greater than ever.

9. The impact of the failure both on our allies (eg Kohl facing elections in January) and on the UK domestic debate will be unhelpful. Expectations of an interim agreement on INF, vindicating NATO's dual-track strategy, have been dashed. The Soviet Union will maintain its propaganda on nuclear testing and will once more step up its campaign against SDI, in the hope of bringing European pressure to bear on the US. It will be important to avoid public recriminations or pressures such as will serve Soviet purposes without influencing the US in the direction we want.

10. The details and significance of President Reagan's last offer to eliminate US and Soviet ballistic missiles (or all strategic offensive forces?) are unclear. In particular, we shall need to know how far it was linked to a specific time-table eg 10 years, in a way that his earlier offer to Gorbachev to extend the ABMT was not. If so, it would offer a potentially serious hostage to fortune, and cast doubt on the basic strategy of the Alliance. Neither we nor the French would have endorsed such a proposal. The double danger here is that the idea will acquire authority as an element in the arms control negotiations and that the Alliance will be divided on it.

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11. Future US policy in relation to the SALT restraints is also now in serious doubt. The President will have less pressing reasons for delaying ALCM deployments if these exceeded SALT II limits than he would have had in the immediate context of a Washington Summit. Perle and others will correspondingly be in a better position to urge a "full response" to Soviet violations.

Foreign and Commonwealth Office  
13 October 1986

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PRIME MINISTER'S MEETING WITH MR KARPOV: 14 OCTOBER 1986

POINTS TO MAKE

- Already had full briefing from US. Interested in Soviet perspective.
- While disappointing that President and General Secretary did not reach agreement on [any of] key issues clear that made considerable progress. Note that Soviet Union not ruled out possibility of further summit. Also remember Gorbachev's comment to Rude Pravo that "The 'all or nothing' approach [to Summits] is alien to us".
- But considerable step backwards for Soviet Union if insist that agreement on all issues dependent on their demands on SDI. Contrast with earlier Soviet agreement in principle to separate INF agreement.
- If this was intention in going to Reykjavik, then forced to conclude that designed to bring about failure of that meeting. Soviet side will have to shoulder responsibility accordingly.
- Task now to see how to build on what achieved (eg on INF and START). Would be wrong for either side to walk away from Geneva talks, or from continuing discussion on issues where agreement seemed possible. Gorbachev has said Soviet proposals remain on table. Need to demonstrate seriousness of commitment on this.
- President Reagan's standing and commitment offer best chance of agreements in next 10, let alone next 2 years.
- Why did Soviet Union make SDI all-or-nothing issue? Should be clear by now President would not give up SDI. US seeking to



engage Soviet Union in discussion on offensive/defensive relationship. But does not mean that ABM Treaty can be rewritten. What about Soviet Union's own research into strategic defences? Now look for serious and detailed Soviet response.

- How do Soviet Union see way forward: further negotiations in Geneva NST; more expert-level contacts to follow up earlier Moscow/Washington meetings; prospects for another Shultz/Shevardnadze meeting?
- Does Soviet Union agree that progress still possible in other arms control issues, eg CW, measures on testing less than CTB Treaty?
- What progress registered on human rights and regional questions? They also have an effect on confidence. In former case, need is to advance from release of prominent individuals to action to improve lot of whole categories (Jews, religious believers, would-be emigrants etc).
- In latter case, most important move would be rapid and complete Soviet withdrawal from Afghanistan.
- Can assure Gorbachev that HMG still interested in pursuing dialogue, including at highest level. But Alliance will not respond to attempts to destroy cohesion. Will work together with other Allies including US to continue arms control process.