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Foreign and Commonwealth Office

London SW1A 2AH

3 October 1986

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4/2

Dear Charles,

US-Soviet Meeting in Reykjavik:  
Message to President Reagan

(earlier  
today)

Please replace the paragraph at the top of the third page of my letter of 3 October with the following version:

<sup>with PM</sup>  
"The INF field contains at present the best prospect for an agreement (though not at Reykjavik). The main problem for us at present is the possibility that the Russians and Americans might settle on a long-range warhead ceiling for Europe of 100. In practice, we and the Americans think that this figure is likely to go up. But even if it did not, the Foreign and Defence Secretaries believe (as now do the Germans) that the approach in the present draft is correct. While like our European allies they both recognise the military arguments in terms of a higher ceiling, above all they are concerned at the possibility of HMG being placed in the position of being seen to be blocking US, Soviet and FRG (and no doubt other allied) agreement on low numbers for INF in Europe. This would be especially damaging when we originally supported the zero-zero solution, and have supported the US search for equal ceilings at any level."

I am copying this letter to John Howe (MOD) and to Christopher Mallaby (Cabinet Office).

Yours ever,

Colin Budd

(C R Budd)  
Private Secretary

C D Powell Esq  
PS/10 Downing Street

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Foreign and Commonwealth Office

London SW1A 2AH

Dear Charles,

US-Soviet Meeting in Reykjavik:  
Message to President Reagan

As <sup>at trap</sup> requested, I enclose a draft message for the Prime Minister to send the President, which has been agreed with the Defence Secretary. The Foreign Secretary has asked me to make the following additional comments.

Although Mr Shevardnadze has acknowledged that regional and bilateral questions will also be discussed, we believe that Mr Gorbachev will seek to focus the meeting almost exclusively on arms control, and especially on the INF agreement, the ABM Treaty issues, and his demand for a comprehensive ban on nuclear testing. President Reagan will seek to cover a wider spectrum: not only arms control but regional conflict, human rights and the expansion of bilateral contacts. In preparing advice for him, we need to avoid the impression that it is unbalanced in the direction of arms control. Nonetheless, that is our own main interest in the Reykjavik meeting.

therefore

We recommend that the message to the President should start with a substantive but relatively short reference both to human rights and to regional conflicts. The President will need no urging to take up human rights questions with Mr Gorbachev. The draft therefore simply welcomes Orlov's release, refers to the Vienna CSCE follow-up meeting, and offers the President encouragement.

Among regional questions, the only areas which we think it would be useful to take up are Iran/Iraq and Arab/Israel. The Iran/Iraq war was a major subject of the US/Soviet talks on the Middle East held in Stockholm in June. The two sides identified a common interest in avoiding further escalation of the conflict, and if possible bringing it to a negotiated conclusion. Then and since the Americans have been trying to involve the Russians in stemming the flow of Soviet-made arms to Iran via third countries. When Mr Shultz saw

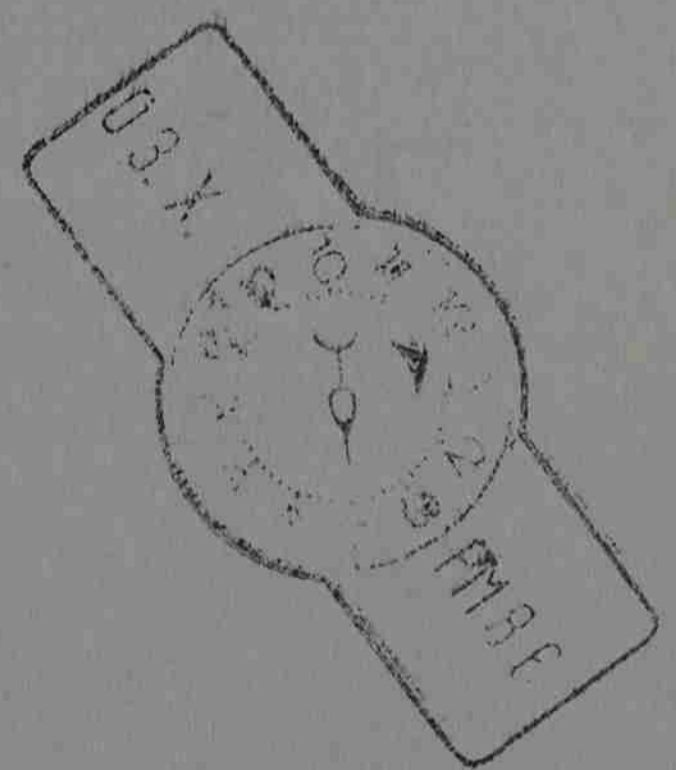
/Mr Shevardnadze

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Mr Shevardnadze in New York on 19/20 September, the latter said the Russians planned to issue a statement on the Gulf war and invited the US to do likewise; but this idea does not seem to have been pursued.

Since July the Russians have been promoting the idea of a preparatory meeting for an international conference on Arab/Israel, involving the Permanent Members of the Security Council. This has attracted a good deal of Arab support. Although we know the Jordanians have private doubts about a preparatory meeting, they continue to regard Soviet participation in a conference as essential. The Israelis are looking for concessions from the Russians on diplomatic relations and Jewish emigration in return for a Soviet role. US misgivings stem from a belief that renewed Soviet involvement in the peace process would enhance the Soviet voice in the region at their own expense.

The bulk of the message however would dwell on arms control issues. On the latter, we must obviously avoid a catalogue of all the outstanding problems. Instead, the draft focuses largely on the Geneva nuclear space talks (NST). In START the main point to register is our support for an average 30% reduction in offensive forces, on the grounds that we should settle for the maximum we can get while keeping as our longer-term target the possibility of even greater cuts (ie in the 50% range). We believe that there is a British interest in encouraging movement which is already visible in US positions in other areas (such as SLCMs and mobile ICBMs); but on this occasion we must avoid over-loading the circuit. Unless you have strong feelings on these or other details, we would propose therefore to omit them this time around.

The ABM Treaty (and its relationship with SDI) remains in our view at the core of a really historic arms control agreement between the superpowers. In the past, and notably in her message to the President of 11 February (attached), the Prime Minister has suggested ways in which the Treaty can be strengthened while preserving his long-term vision of strategic defence. On this occasion, we believe that we need do not more than reiterate that message briefly. However, post-Reykjavik and in the run up to a subsequent Summit proper, it may well be necessary to spell out in greater detail the way in which we believe the Treaty and related issues should be handled.

/The INF

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The INF field contains at present the best prospect for an agreement (though not at Reykjavik). The main problem for us at present is the possibility that the Russians and Americans might settle on a long-term warhead ceiling for Europe of 100. In practice, we and the Americans think that this figure is likely to go up. But even if it did not, the Foreign and Defence Secretaries believe (as now do the Germans) that the approach in the present draft is correct. While they both recognise the military arguments in terms of a higher ceiling, above all they are concerned at the possibility of HMG being placed in the position of being seen to be blocking US, Soviet and FRG (and no doubt Allies) agreement on low numbers for INF in Europe. This would be especially damaging when we originally supported the zero-zero solution, and have supported the US search for equal ceilings at any level.

like our  
European  
allies

Of other arms control issues, we expect Mr Gorbachev to press a CTBT. Our Embassy in Moscow takes the view that even an interim INF agreement would not compensate for a failure by Mr Gorbachev to bring back from a Summit even a modest advance on nuclear testing; and that if he gets no hint from the President at Reykjavik that he can achieve this, he will back away from a Washington date later this year. We here are not yet convinced that some achievement in testing is such a sine qua non for Mr Gorbachev. A modest move by the Americans might even be more embarrassing for him than the present stalemate. But the solution is in his own hands: to accept US verification proposals which would allow for the speedy ratification of the two outstanding treaties, and then to follow up the President's hint of further flexibility which he gave in his UNGA speech last week. We do not however discount the possibility that, if the INF signs at Reykjavik look bad, Mr Gorbachev may seek to exploit the US position on testing as an excuse for his failure to go to Washington.

We have included in the draft message a passage in square brackets on chemical weapons. It would be most valuable to get the President to endorse the British position on challenge inspection to Mr Gorbachev, especially when the Russians themselves have been making encouraging noises about it to the US in New York and Washington. This would represent a real step forward. However, the Prime Minister will wish to make her own judgement on whether it would overload an already fairly full circuit. It seems more probable at this stage that any progress on CW at the US-Soviet meeting is likely to come in the area of non-proliferation, where both sides have already established a measure of agreement. Such progress would only have real significance if it implied action against CW violators, ie a significant impact on such countries as Iraq.

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We have also considered including elements in the draft message on conventional arms control and on the SALT II limits. On the former, we have nothing substantive to say; our own ideas for an initiative on conventional arms control (about which the Foreign Secretary minuted the Prime Minister on 30 September) have yet to be put to close Allies. SALT II remains a key issue. But we assess that the risk, already diminishing for technical reasons, of the President implementing his May decision to break out of the Treaty constraints in November has now decreased further because of the momentum towards a Summit. We therefore believe that it should not be raised now with him, but that our powder should be kept dry for use in case the threat once more increases.

I have already sent you an interim reply to Mr Gorbachev's letter to the Prime Minister of 30 September. The Foreign Secretary believes that a substantive response should be delayed until after the Reykjavik meeting. It would then be possible either to pick up the pieces if the process appeared to be breaking down; or to urge Mr Gorbachev to greater efforts if genuine Summit "negotiations" (to quote from his own letter) were then in prospect.

I am sending copies of this letter and enclosure to John Howe (Ministry of Defence) and to Christopher Mallaby (Cabinet Office)

(C R Budd)  
Private Secretary

C D Powell Esq  
PS/10 Downing Street

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DSR (Revised Sept 85)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1 +

FROM:

Reference

Prime Minister  
DEPARTMENT:

DS2AAG

TEL. NO:

Your Reference

BUILDING:

ROOM NO:

SECURITY CLASSIFICATION

TO:

Copies to:

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

President Reagan

PRIVACY MARKING

..... In Confidence

CAVEAT .....

SUBJECT:

I am delighted to pick up your invitation to provide an input to your preparations for the Reykjavik meeting. You need no reminding of the importance we all attach to success there, and to a full-scale Summit in Washington later this year. Our best wishes go with you and Nancy for Reykjavik and beyond. I am delighted also to know that we can help with the facilities of our Ambassador's Residence there.

You will have a full agenda, and will clearly want to strike the right balance between arms control issues on the one hand and the other items for discussion, such as human rights, regional issues and your bilateral relations. On the second set of issues, I very much welcomed the release of Yuri Orlov after all these years.

Enclosures flag(s) .....



And I know you will again impress on Mr Gorbachev the importance of improving the Soviet record of human rights across the board if there is to be a lasting improvement of East/West relations. The Vienna CSCE meeting will give us a further chance to press for progress. You know that you have my wholehearted support in this.

On regional questions, my impression is that you may be able to bring the Russians to acknowledge a common interest in putting an end to the Iran/Iraq conflict. I know you have also been trying to involve them in stemming the flow of arms to Iran. These might be fruitful areas to explore with Mr Gorbachev. Your meeting will also be an opportunity to explore the possibilities for a more constructive Soviet role in the Arab/Israel dispute.

That said, I expect that as in Geneva last year you will find a large amount of your time in Reykjavik devoted to arms control. For his part, Mr Gorbachev evidently intends to focus on the INF, ABM Treaty and nuclear testing areas. I see much advantage in tackling the first of these in depth.



I have been encouraged by the recent progress in the INF talks. The Soviet approach, not least in dropping the references to British and French forces - as we always thought they would - now shows signs of real seriousness. I hope that your talks [this/next] weekend will help to nail down the terms of an eventual agreement. It would be a major achievement for all of us if you could bring it off, in the face of all the difficulties we have overcome together in the past five years. And it would be a sign-post to even greater achievements further down the same road.

I know that in your Reykjavik talks you will be sticking to the essential elements of the negotiating position worked out with your Allies, including the terms we have already agreed for appropriate constraints on shorter-range systems. When it comes to the ceiling for US and Soviet LRINF in Europe, I recognise that the numbers now being discussed may well increase, as a function of the ceiling on Soviet forces in Asia. In deciding where the final balance of advantage lies, we shall have to weigh the political gains of low numbers against our continuing strategic desiderata. If the numbers do go up, that may well ease the dilemma. For our part I want you to know that we will welcome an agreement based on any equal ceiling in Europe, always provided that the difference between this and Asian ceiling is not excessive, and that the other Alliance conditions are met.



On the ABM Treaty, and the link with SDI, I set out my views in some detail in my message to you of 11 February. I still see this approach as the right way ahead. You know the importance I attach to the US continuing the research programme within the restrictive interpretation of the Treaty. And I warmly welcome your clear statement of the integral link between offensive and defensive forces, which featured in your July message to Mr Gorbachev and which you have now made public in your UN speech. I was also very pleased to see your proposal for a significant extension of the Treaty withdrawal period, to which the Russians now seem to be responding in a positive sense.

All these points address the key issue of reassurance which I stressed in my February message and in our earlier exchanges. Given that the gaps between your own position and that of Mr Gorbachev may now be beginning to narrow, I hope that in your next round of discussions you may be able to work towards an agreement on refining your respective understandings of what the Treaty does and does not allow in the way of specific research. I continue to see this as a key element if progress is to be made not only on strategic defences but on strategic arms reductions too.



On the latter, I have noted the encouraging progress that has been made in a number of areas. I will not now dwell on detailed British views. But I should like to register my support for an interim START agreement along the lines your negotiators outlined in Geneva last month, while of course not losing sight of the ultimate objective of even greater reductions in strategic forces.

On the last of Mr Gorbachev's targets, nuclear testing, we must expect him to continue to press for a comprehensive ban. Frankly I find it surprising that he should have devoted so much time and propaganda energy to this objective when he must know that its achievement is precluded by your present position. But we should certainly not allow him to get off the Washington Summit hook by claiming a total absence of US flexibility on nuclear testing.

For that reason I welcome what you said two weeks ago to the UN, which seemed to me very much in line with the ideas we outlined to you some 18 months ago. I am sure it is right to go for ratification of the outstanding treaties. I will also be interested to see if the Russians pick up the idea of a subsequent programme of further limits on testing, in parallel with other cuts in offensive forces. For our part, I continue to see much merit in this practical, step-by-step strategy which is consistent with the overall Western approach to arms control.



[Finally, on chemical weapons, I welcome the news of some progress in the worrying area of proliferation, with particular reference to the Middle East. But our main aim must remain a total ban on these dreadful weapons, accompanied with adequate verification. Recent Soviet movement in this field provides some hope that they are beginning to address the issue seriously, although it is not yet enough to let us predict a break-through. I am glad that you have already had the opportunity in Washington to discuss with the Russians the British proposal on challenge inspection; and that you seem to have received an encouraging reaction from them. If the chance arises in Reykjavik, I believe it would be useful to press them once more to respond to our proposals, and to demonstrate the seriousness of their own approach to a total ban.]