

GRS 680

UNCLASSIFIED

FM REYKJAVIK

TO DESKBY 130800Z FCO

TELNO 95

OF 122330Z OCTOBER 86

INFO DESKBY 130700Z UKDEL NATO

INFO IMMEDIATE WASHINGTON, MOSCOW

M I P T: REAGAN/GORBACHEV MEETING

SUMMARY

1. IN A CONFIDENT AND ELOQUENT PERFORMANCE, GORBACHEV CONFIRMED SCHULTZ' REPORT ON THE OUTCOME OF THE MEETING IN CONSIDERABLE DETAIL. HE SET OUT THE THREE ELEMENTS OF SOVIET PROPOSALS ON ARMS CONTROL, EMPHASIZING SOVIET INITIATIVE AND CONCESSIONS, AND SAID REAGAN'S POSITION ON SDI RESEARCH COULD NOT IN SANITY BE ACCEPTED. HE LEFT HIS PROPOSALS ON THE TABLE AND CALLED FOR A PERIOD OF REFLECTION.

DETAIL

2. GORBACHEV BEGAN HIS PRESS CONFERENCE BY UNDERLINING SOVIET COMMITMENT TO THE OBLIGATIONS UNDERTAKEN AT GENEVA, INSTANCING THE EXTENSION OF THE TEST MORATORIUM, THE PROPOSALS FOR ABOLISHING NUCLEAR WEAPONS BY THE END OF THE CENTURY AND REDUCING CONVENTIONAL WEAPONS IN EUROPE. BUT THE HOPES FOR PROGRESS AFTER THE FIRST SUMMIT HAD NOT BEEN SUSTAINED. THE GENEVA NEGOTIATIONS HAD REACHED AN IMPASSE. THE US HAD FAILED TO APPRECIATE GROWING WORLD CONCERN OVER THE DANGERS OF A NEW ARMS RACE. THE SOVIET MOTIVE IN PROPOSING THE REYKJAVIK MEETING HAD BEEN TO CHANGE THIS COURSE OF EVENTS BY GIVING A NEW IMPULSE TO THE NEGOTIATIONS.

3. THE SOVIET UNION HAD COME TO THE MEETING WITH MAJOR PROPOSALS WHICH COULD SOON HAVE AVERTED THE THREAT OF NUCLEAR WAR. HE HAD PROPOSED TO THE PRESIDENT THAT THEY ISSUE BINDING INSTRUCTIONS FOR THE PREPARATION OF THREE DRAFT AGREEMENTS FOR SIGNATURE IN WASHINGTON:

(1) AN IMMEDIATE 50 PER CENT REDUCTION IN STRATEGIC WEAPONS LEADING TO THEIR COMPLETE ELIMINATION BY THE END OF THE CENTURY, APPLYING EQUALLY TO LAND-BASED, SUBMARINE- AND AIRCRAFT - LAUNCHED MISSILES. IN THIS THE SOVIET UNION HAD MADE SERIOUS CONCESSIONS OVER WHAT CONSTITUTED STRATEGIC ARMS. THE US HAD AGREED.

(2) ON INF, A RETURN TO THE PRESIDENT'S ZERO OPTION APPLICABLE TO EUROPE, A CEILING OF 100 SOVIET MISSILES IN ASIA AGAINST 100 US MISSILES ON AMERICAN SOIL AND A FREEZE ON SRINF FOLLOWED BY NEGOTIATIONS ON THEIR REMOVAL. THIS AGAIN HAD BEEN AGREED AND INVOLVED MAJOR SOVIET CONCESSIONS, INCLUDING DROPPING THEIR DEMAND FOR A BAN ON THE INCREASE OR MODERNISATION OF BRITISH AND FRENCH NUCLEAR FORCES.

(3) FINALLY, IN RETURN FOR SUCH DEEP CUTS, THE SOVIET UNION, /SHOULD WHILE IN FAVOUR OF ASSURED VERIFICATION, REQUIRED THAT BOTH SIDES

SHOULD HAVE A GUARANTEE THAT THE OTHER WOULD NOT SEEK A MILITARY ADVANTAGE. THEY HAD THEREFORE PROPOSED THAT THE ABM TREATY SHOULD BE STRENGTHENED: NEITHER SIDE WOULD WITHDRAW FOR 10 YEARS AND THE TREATY SHOULD BE STRICTLY OBSERVED WITH NO TESTING PERMITTED OUTSIDE THE LABORATORY.

4. GORBACHEV COMMENTED THAT AT THIS POINT THE REAL FIGHT BEGAN WITH REAGAN INSISTING ON RETAINING THE RIGHT TO CARRY ON SDI RESEARCH OUTSIDE THE LABORATORY AND EVEN IN SPACE. ONLY A MADMAN COULD HAVE ACCEPTED SUCH A PROPOSITION.

5. HE CONCLUDED THAT AN HISTORIC OPPORTUNITY HAD BEEN MISSED. HE NOW UNDERSTOOD THAT U S POLICY WAS GOVERNED BY THE WISHES OF THE AMERICAN MILITARY/INDUSTRIAL COMPLEX THAT THE PRESIDENT WAS NOT FREE TO TAKE THE DECISIONS WHICH WOULD HAVE MADE AGREEMENT POSSIBLE. HE GORBACHEV HAD NOT BEEN SETTING CONDITIONS FOR A WASHINGTON SUMMIT, BUT EXPRESSING THE NEED FOR IT TO ACHIEVE TANGIBLE RESULTS. FOR THE FUTURE IT WAS NECESSARY TO ACCEPT THE REALITIES, REFLECT ON THE SITUATION AS IT HAD EVOLVED AND TRY TO OVERCOME THE REMAINING DIFFERENCES. THE SOVIET UNION WOULD NOT WITHDRAW ITS PROPOSALS OR ABANDON THE SEARCH FOR PEACE. WORLD OPINION SHOULD MAKE ITSELF FELT. HE URGED THE OPENING OF DETAILED NEGOTIATIONS ON ENDING NUCLEAR TESTING.

CHAPMAN

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