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Foreign and Commonwealth Office

London SW1A 2AH

13 October 1986

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Dear Charles,

Reykjavik Summit

/ I enclose a draft text for use with the President. It is designed to encourage him to continue his efforts to reach concrete agreements over the next few months; to avoid going so far in his public statements about the SDI that he makes that possibility more difficult; to register concern about the reported US offer on eliminating all nuclear weapons; to inject the need to stick to SALT constraints, which will now become politically live again; to underline the importance of maintaining Allied unity; and to deny Gorbachev the easy propaganda points for which he may now be looking, both in this country and elsewhere.

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

Yours ever

Colin Budd

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Private Secretary

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DSR (Revised Sept 85)

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1 +

FROM:

Reference

Prime Minister

DS 2ABD

DEPARTMENT:

TEL. NO:

Your Reference

BUILDING:

ROOM NO:

SECURITY CLASSIFICATION

TO:

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Top Secret

President Reagan

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SUBJECT:

PRIVACY MARKING

..... In Confidence

CAVEAT

I have read the first reports from Iceland, including your own statement, and look forward to hearing what George Shultz has to tell us today in Brussels. But I thought you might find an initial reaction helpful.

First, I want to congratulate you on getting so close to a new range of agreements. You spoke yesterday of the great strides you had made in resolving most of the differences.)

I know that the final outcome of Reykjavik will therefore have been a disappointment to you, and one I fully share. For the moment you have been denied an historic achievement, by a combination of Soviet inflexibility and their error in over-playing their hand.

Enclosures flag(s)

I do understand the sense of frustration you must feel at Soviet tactics, in trying to paint you into a corner over the SDI. On this, I continue to see the research programme, as we have always agreed, as permissible and

justifiable. I strongly welcome what you have said about it continuing within the terms of the ABM Treaty. I do feel, as I have suggested before, that there is some room for further discussion, perhaps at the technical level, about the precise ways in which this work on both sides is to continue.

That said, the most important thing now is that in the immediate aftermath of this set-back we should not burn our boats, nor let Gorbachev burn his. Of course he will try to split the Allies on the issue of the SDI, and to demolish the European support which you have always enjoyed in the past for your own positions at Geneva. It is absolutely crucial, in my mind, that he should not succeed in this. Equally, he must be prevented from being carried away by his own rhetoric, and breaking off the negotiations.

For that reason I was glad to hear you say that for your part you will continue your effort to reach agreements. I hope we can keep Western eyes firmly fixed on this, the proper target. Far from letting the chances of such agreements become more difficult in future, we should use your Reykjavik meeting as evidence of the real progress that can be made, once artificial obstacles are cleared away.

I heard George Shultz speak of agreements of potentially great significance and of progress in humanitarian and regional issues. This encouraged me to see the Reykjavik

outline in a more positive spirit. I am sure that is the right approach. And I am confident that in your own comments later today you will, as always, put the emphasis on the positive.

As for the details of your discussions, the Russians are sending Karpov to see me tomorrow. You can be sure he will not get an easy ride in London! I will press him hard to explain the Soviet position, [Apart from pursuing the details of the SDI exchanges, I shall be particularly interested to hear what you and Gorbachev had to say on eliminating strategic forces.

and the step backward they appear to have taken.

I must tell you frankly that the first reports of a prospective agreement to eliminate all long-range nuclear missiles within ten years caused me considerable concern. I do not want to give you a considered view until I have had a chance to think about the details. But I very much hope that in immediate comments your Administration will not become committed to an outcome inconsistent with the strategy of the Alliance since its inception. This could cause even more difficulties for Western unity than the fuss to be expected over the SDI.

As we have often discussed in the past, my own view is that nuclear deterrence must remain part of our strategic existence for the foreseeable future. Of course the level of nuclear arms can and should come down. But a nuclear-free world within a decade (which some of the reports from Reykjavik seemed to suggest as the aim) is

quite a different matter. We have to tread with the greatest care in this area. I hope there will be proper time for reflection and consultation with your Allies, before the United States is committed to such a far-reaching and novel position.

I must mention one other point. I recognise that you will shortly be facing some tough decisions on modernising your strategic forces. When we exchanged views on the subject in May, I urged you to continue your policy of interim restraint. I must repeat that advice now. Nothing could be more damaging to the cause of Western unity, or to your leadership of the free world than a decision in the next few weeks, for whatever reason, that deliberately breached the previously observed force limits.

I started this note with a sense of disappointment. But I finish it with a sense of encouragement. If we all stick together; if we do not allow Gorbachev and others in the Soviet Union and elsewhere to break our nerve and our determination; if we continue to pursue arms control along the lines we have discussed in the past; I remain confident that within the next few months we shall be able to move once more towards the sort of results which you and I are both so eager to see.

