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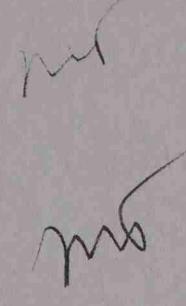
FM WASHINGTON

TO PRIORITY FCO

TELNO 2667

OF 181915Z OCTOBER 86

INFO PRIORITY BONN, PARIS, UKDEL NATO, MOSCOW,



## MIPT: REYKJAVIK

- 1. I HAD QUITE A LONG PRIVATE TALK WITH SHULTZ ON 16 OCTOBER.
  I SHOULD BE GRATEFUL IF WHAT FOLLOWS IS NOT (NOT) ATTRIBUTED
  TO HIM IN ANY SUBSEQUENT DISCUSSION OF AMERICAN VIEWS.
- 2. I SAID THAT THE COMBINATION OF NATO'S CONVENTIONAL INFERIORITY AND THE REYKJAVIK PROPOSALS/AGREEMENTS FOR ELIMINATING LRINF IN EUROPE AND ABOLISHING BALLISTIC MISSILES AND/OR STRATEGIC NUCLEAR WEAPONS IN A 10 YEAR PERIOD WAS A SOMEWHAT WORRYING PROSPECT.
  SHULTZ DREW A CLEAR DISTINCTION BETWEEN THE PRESIDENT'S PROPOSALS AND THE LABOUR PARTY'S DEFENCE PLATFORM. THE PRESIDENT'S POLICY WAS TO NEGOTIATE AGREEMENTS ON A MULTILATERAL, BALANCED AND VERIFIABLE BASIS. THE LABOUR PARTY'S POLICY, ON THE OTHER HAND, WAS FOR THE UNILATERAL ABOLITION OF THE UK NUCLEAR DETERRENT AND THE UNILATERAL WITHDRAWAL OF US NUCLEAR WEAPONS FROM THE UK.
  WHEN I SAID THAT THE PRESIDENT'S PROPOSAL FOR THE ELIMINATION OF BALLISTIC MISSILES WOULD MAKE IT HARDER FOR HMG TO DEFEND UK TRIDENT, SHULTZ SAID

THAT THE ELIMINATION OF BALLISTIC MISSILES WAS QUOTE A LONG WAY DOWN THE ROAD UNQUOTE.

- 3. SHULTZ RUMINATED PHILOSOPHICALLY ABOUT THE PRESIDENT'S ATTITUDES. HE SAID THAT THE PRESIDENT HAD AN INSTINCTIVE VISION OF THE FUTURE. HE MIGHT OR HE MIGHT NOT BE RIGHT ABOUT SDI.

  MORE IMPORTANTLY, HOWEVER, HE WAS PROBABLY RIGHT ABOUT THE MOOD OF YOUNGER PEOPLE, WHO WOULD BE INCREASINGLY UNWILLING TO TOLERATE NUCLEAR WEAPONS. A REAL EFFORT THEREFORE HAD TO BE MADE TO GET RID OF THEM IF POLITICAL PRESSURES ON WESTERN LEADERS WERE NOT TO BECOME EXTREMELY HARD TO HANDLE. I SAID THAT I THOUGHT IT INCONCEIVABLE THAT THE SOVIET UNION WOULD REALLY ABANDON ITS NUCLEAR WEAPONS WHILE OTHER COUNTRIES, FOR EXAMPLE CHINA, CONTINUED TO POSSESS THEM.
- QUESTIONED WHETHER IN THE LONGER TERM OUR FEARS ABOUT THIS WERE WHOLLY JUSTIFIED. IN TERMS OF POPULATION, THE ALLIANCE WAS LARGER THAN THE WARSAW PACT AND IN TERMS OF ECONOMIC STRENGTH, NATO WAS FAR AHEAD AND WOULD ALMOST CERTAINLY REMAIN SO. HE WAS INCLINED TO THINK THAT ALLIED MILITARY STAFFS EXAGGERATED THE EXTENT OF THE WARSAW PACT ADVANTAGE. I SAID THAT, IRRESPECTIVE OF THE POPULATION AND ECONOMIC FACTORS, IT WAS FAR EASIER FOR A TOTALITARIAN STATE TO KEEP A HUGE FORCE UNDER ARMS THAN IT WAS FOR THE WESTERN DEMOCRACIES. SHULTZ HAS SUBSEQUENTLY FLOATED PUBLICLY HIS IDEAS (DESCRIBED ABOVE) ABOUT THE CONVENTIONAL CONFIDENTIAL

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SHULTZ SAID THAT THE REYKJAVIK MEETING HAD BEEN ONE OF THE MOST REMARKABLE NEGOTIATIONS HE HAD EVER PARTICIPATED IN.

GORBACHEV HAD KEPT PUTTING ON THE TABLE PROPOSALS THAT COINCIDED WITH US VIEWS. IT HAD THEREFORE BEEN A QUESTION OF REELING THEM IN AS FAST AS POSSIBLE. GORBACHEV HAD TOLD THE PRESIDENT SEVERAL TIMES THAT ONLY THE TWO OF THEM COULD MAKE PROGRESS TOWARDS SIGNIFICANT ARMS CONTROL AGREEMENTS: PROFESSIONAL NEGOTIATORS WERE TOO RIGID AND GOT BOGGED DOWN IN DETAIL. SHULTZ DID NOT DISSENT FROM MY POINT THAT THE RIGHT COMBINATION MIGHT BE MORE FREQUENT HIGH LEVEL MEETINGS TO GIVE REAL IMPETUS TO ARMS CONTROL NEGOTIATIONS TOGETHER WITH DETAILED DISCUSSION BY EXPERTS TO SORT OUT PROPOSALS AND TO ENSURE THAT IMPORTANT SECURITY INTERESTS WERE NOT BEING JEOPARDISED.

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