SIR PERCY CRADOCK

PRESIDENT REAGAN'S MESSAGE TO MR. GORBACHEV

I have looked again at the points in your minutes of 28 and 29 July about the Americans' interpretation of the ABM Treaty. I still think that we can be satisfied with the assurances which we have extracted from them.

The fact is that the ABM Treaty allows development and testing of fixed land-based systems at specified test sites. That is all that the Americans are doing or proposing to do. The situation could change, but that is probably some years away.

As it is, we have got on the record a firm statement from the President that the United States will not go beyond the restrictive interpretation of the Treaty. He could have said much less. The argument may well be re-joined in the autumn. If Congress cuts funds for the SDI, Perle and Adelman will press the President to break out into a broader interpretation of the Treaty, as foreshadowed in his earlier statements. But by then, we shall be further down the road towards negotiations with the Russians, and the constraints on such a move will be greater.

In short, its certainly not a definitive victory for the restrictive interpretation. **But** its an important skirmish won, and the defences of the restrictive interpretation have been reinforced.

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CHARLES POWELL 30 July 1986

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