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FM WASHINGTON  
TO IMMEDIATE FCO  
TELNO 2487  
OF 302242Z SEPTEMBER 86  
INFO IMMEDIATE MOSCOW, UKDEL NATO, MODUK  
INFO PRIORITY BONN, PARIS

SIC MODUK FOR PS/SOFS, DUS(P), DACU

MY TELNO 2478: US/SOVIET RELATIONS

SUMMARY

1. REYKJAVIK MEETING: PRELIMINARY ASSESSMENT THAT THERE IS NO MORE IN IT THAN MEETS THE EYE.

DETAIL

2. THE PROPOSAL FOR AN EARLY, PRE-SUMMIT, MEETING FIRST SURFACED, IN GENERAL TERMS, IN THE GORBACHEV MESSAGE WHICH SHEVARDNADZE DELIVERED HERE ON 19 SEPTEMBER. IT WAS APPARENTLY MADE CONCRETE IN SHEVARDNADZE'S MEETINGS WITH SHULTZ IN NEW YORK LAST WEEK. SPECIFICALLY, THE RUSSIANS SUGGESTED A MEETING OF PRINCIPALS AND FOREIGN MINISTERS ONLY, AND INDICATED THAT THE PURPOSE SHOULD BE TO PREPARE THE GROUND FOR A FULL SUMMIT.

3. NSC SOURCES TELL US THAT THE PRESIDENT'S IMMEDIATE REACTIONS WERE POSITIVE. PROVIDED THAT THE DANILOFF OBSTACLE COULD BE CLEARED AWAY FIRST, AND PROVIDED THAT THE MEETING WOULD BE PREPARATORY TO, RATHER THAN A SUBSTITUTE FOR, A 1986 SUMMIT IN THE UNITED STATES, AS AGREED IN GENEVA LAST NOVEMBER, HE THOUGHT THE PROPOSAL A CONSTRUCTIVE ONE.

4. OUR CONTACTS SUGGEST THAT THE PRINCIPAL US AIM AT REYKJAVIK WILL BE TO SCREW DOWN AGREEMENT ON A DATE (IN LATE NOVEMBER/ DECEMBER) AND AN AGENDA FOR A SUBSTANTIVE SUMMIT HERE. NO-ONE BELIEVES THAT A SUBSTANTIVE NST QUOTE ACHIEVEMENT UNQUOTE WILL BE READY FOR REYKJAVIK. AND THE GENERAL VIEW IS THAT AGREEMENTS ON MINOR ISSUES (EG RISK REDUCTION CENTRES, A JOINT STATEMENT ON CW NON-PROLIFERATION, AND POSSIBLY SOMETHING ON THRESHOLD TEST BAN VERIFICATION), WHICH MIGHT BE GOT READY IN TIME FOR A SUBSTANTIVE SUMMIT, AND SOME OF WHICH (THOUGH PROBABLY NOT VERIFICATION) COULD CONCEIVABLY BE BROUGHT FORWARD FOR REYKJAVIK, WOULD BE SEEN AS OUT-OF-SCALE THEN: THEY MIGHT MAKE GOOD ICING FOR A SUBSTANTIVE SUMMIT CAKE, BUT WOULD LOOK STRANGE WITH NO CAKE. THERE IS SO FAR NO SIGN WHATSOEVER EITHER OF INSTRUCTIONS TO THE NST TEAM TO COOK SOMETHING UP BY 11 OCTOBER, OR OF HOT LINE, CW, OR NUCLEAR TESTING EXPERTS BEING DESPATCHED POST-HASTE TO BERNE OR GENEVA TO NEGOTIATE TEXTS WHICH WOULD BE AGREED AD REFERENDUM TO REYKJAVIK.

SHULTZ HAS SAID THAT REGIONAL, BILATERAL, AND HUMAN RIGHTS ISSUES WILL ALSO BE COVERED AT REYKJAVIK, SO THE DISCUSSION WILL NOT ONLY BE ON ARMS CONTROL. BUT WE SEE NO SIGNS OF SUDDEN NEW ACTIVITY IN THESE AREAS EITHER.

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5. THERE IS MUCH DISCUSSION HERE OF SOVIET MOTIVES IN PROPOSING THE PRE-SUMMIT SUMMIT. THE HARD LINE (EG PENTAGON) VIEW IS THAT SUCH A MANOEUVRE WAS TO BE EXPECTED, GIVEN THE STANDARD SOVIET NEGOTIATING TECHNIQUE OF AGREEING NOTHING (EVEN A SUMMIT DATE) UNTIL THE LAST MOMENT, WHILST TRYING TO EXTRACT A PRICE FOR IT. THE PENTAGON ASSUME THAT THE PRICE ASKED WILL BE IN ONE OF THE THREE AREAS APPARENTLY COVERED BY THE LATEST GORBACHEV LETTER NUCLEAR TEST-BANS, INF, AND THE ABM TREATY. OTHERS (EG IN STATE) ARGUE THAT THE SOVIET MOTIVE MAY BE A COMBINATION OF GENUINE UNCERTAINTY (EG IN THE LIGHT OF US DOMESTIC REACTIONS TO THE DANILOFF AFFAIR) ABOUT WHETHER THE PRESIDENT IS STILL IN THE GENEVA NOVEMBER 1985 MOOD, AND THEREFORE WHETHER A REAL SUMMIT IS LIKELY TO BE PRODUCTIVE, AND THE TACTICAL APPRECIATION THAT IT IS IMPORTANT (VIS-A-VIS WESTERN EUROPE) FOR MOSCOW TO APPEAR TO MAKE EVERY EFFORT TO SECURE A SUCCESSFUL SUMMIT, OR TO CONTRIVE ITS POSTPONEMENT/CANCELLATION IN A FORM FOR WHICH MOSCOW CANNOT BE BLAMED. WHAT SEEMS CLEAR IS THAT THE PRESIDENT AT ONCE SAW THE PROPOSAL AS ONE WHICH COULD NOT BE REJECTED.

6. NSC SOURCES TELL US THAT THERE IS NO CURRENT PLAN FOR ANY FORMAL ALLIANCE CONSULTATION EXERCISE BEFORE REYKJAVIK. THEY SEE NO NEED FOR ONE, GIVEN THE PREPARATORY, PRE-SUMMIT, NATURE OF THE EVENT ITSELF. AND IN PRACTICAL TERMS, THEY SEE NO TIME FOR ONE. BUT THEY ARE ALREADY CONSIDERING WHAT FORM OF CONSULTATION IMMEDIATELY AFTER REYKJAVIK (PRESIDENTIAL MESSAGES/EMISSARIES TO CAPITALS/REINFORCED NAC) MIGHT BE APPROPRIATE.

COMMENT

7. OUR INSTINCT IS TO TAKE AT FACE VALUE WHAT OUR CONTACTS TELL US. WE SHALL OF COURSE BE ALERT FOR ANY INDICATIONS OF NEW PRE-REYKJAVIK IMPETUS BEING APPLIED TO ANY PART OF THE ARMS CONTROL OR WIDER AGENDA: FOR TEXTS BEING WORKED UP: OR FOR DEALS BEING PRE-COOKED. BUT THERE ARE AT PRESENT NO SUCH SIGNS. THE DANILOFF/ZAKHAROV AFFAIR HAS MONOPOLISED HIGH LEVEL ATTENTION TO EAST/WEST ISSUES IN THE LAST TWO WEEKS. AND WE BELIEVE THAT NOTHING SIGNIFICANT HAS HAPPENED IN GENEVA WHILE SHULTZ AND SHEVARDNADZE WERE TALKING DANILOFF HERE AND IN NEW YORK.

8. AND ONE DOES NOT HAVE TO SEARCH FOR HIDDEN MOTIVES FOR THE PRESIDENT'S WELCOME FOR THE IDEA. FIRST, HE WANTS HIS SUBSTANTIVE SUMMIT THIS WINTER, AND IF HE NOW HAS FIRST TO GO TO ICELAND TO GET IT, THAT PRICE AT LEAST IS WORTH PAYING. SECOND, IF THERE WERE TO BE NO SUBSTANTIVE SUMMIT, HE TOO WOULD WISH TO DEMONSTRATE THAT THE FAULT WAS NOT HIS. THIRD, BY PLAYING A WHOLLY NEW CARD. HE MAY HOPE TO DIVERT THE PRESS FROM TOO CLOSE A SCRUTINY OF THE DETAILS OF THE DANILOFF/ZAKHAROV DEAL, AND SO AVOID ANOTHER OUTBURST FROM THE RIGHT AT A DEGREE OF ACCEPTANCE OF SOVIET EQUIVALENCE AND/OR THE PARTIAL CLIMBDOWN ON UN EXPULSIONS. FINALLY, VIS-A-VIS THE LEFT, IE DEMOCRATS ON THE HILL, THE NEW CARD WILL CERTAINLY BE USED IN THE CONTEXT OF THE HOUSE'S AMENDMENTS TO THE DEFENCE APPROPRIATIONS BILL, WHICH WOULD BAN ALMOST ALL 1987 NUCLEAR

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TESTS, ALL EXPENDITURE ON PROGRAMMES WHICH WOULD EXCEED SALT II LIMITS, ALL CW MODERNISATION, AND ALL ASAT TESTS, AND CUT BACK SDI FUNDS. THE ADMINISTRATION WAS ALREADY ARGUING THAT THE AMENDMENTS MUST BE STRUCK OUT IF THE GENEVA NEGOTIATORS WERE NOT TO BE UNDERMINED: THE ARGUMENT NOW WILL BE THAT THE PRESIDENT MUST NOT BE SENT TO THE NEGOTIATING TABLE WITH HIS POSITION ALREADY WEAKENED.

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EAST WEST & US/SOVIET RELATIONS  
LIMITED

SOVIET D	PS/MR RENTON
DEFENCE D	PS/MR EGGAR
RES D	PS/PUS
PLANNING STAFF	MR DEREK THOMAS
EED	CHIEF CLERK
NAD	MR GOODALL
WED	MR FERGUSSON
ACDD	
CRD	MR RATFORD
NEWS D	MR DAUNT
INFO D	MR FEARN
ECD (E)	MR LONG
FED	MR BRAITHWAITE
NED	MR BARRINGTON
POD	MR WINCHESTER
PUSD	MR RENWICK
CSCE UNIT	
PROTOCOL D	
PS	
PS/LADY YOUNG	

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