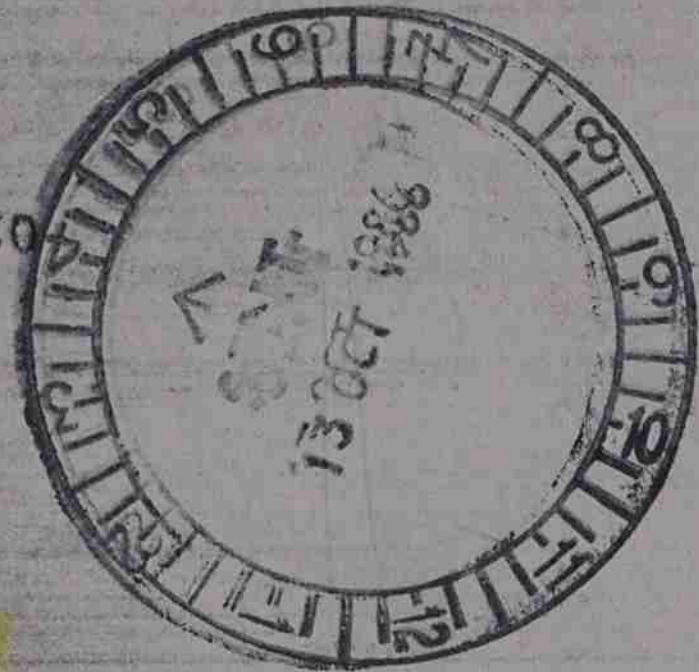


PP BELGR
PP BUCHA
PP BUDAP
PP EADER
PP PRAGU
PP SOFIA
PP WARSA
PP GEDIS
PP NYMIS
PP VIDEL
FM BRNAT TO FCO
131253Z OCT
GRS 1300



CONFIDENTIAL
FM UKDEL NATO
TO FLASH FCO
TELNO 283

OF 131253Z OCTOBER
AND TO IMMEDIATE PEKING, MODUK
INFO IMMEDIATE WASHINGTON, BONN, PARIS, MOSCOW
INFO PRIORITY OTHER NATO POSTS, EAST EUROPEAN POSTS
INFO PRIORITY UKDIS GENEVA IN NEW YORK, UKMIS NEW YORK, UKDEL VIENNA
PEKING FOR SECRETARY OF STATE'S PARTY
MODUK (FOR DACU)

REYKJAVIK SUMMIT: NAC BRIEFING BY SHULTZ

SUMMARY

1. SHULTZ BRIEFS THE COUNCIL ON THE REYKJAVIK SUMMIT: DESPITE THE DISAPPOINTMENT OF THE MOMENT THE MEETING SHOULD NOT BE CRITICISED AS A FAILURE. A GREAT DEAL HAD BEEN ACHIEVED, ESPECIALLY ON STRATEGIC AND INTERMEDIATE RANGE FORCES WHICH THE US WOULD CONTINUE TO PURSUE. THE US HAD MADE STRENUOUS EFFORTS TO MEET GORBACHEV'S CONCERN ON SDI, BUT COULD NOT AND WOULD NOT AGREE TO CHANGES TO THE ABM TREATY DESIGNED TO CRIPPLE THE PROGRAMME. THE US WAS PREPARED TO FACE UP TO THE IMPLICATIONS OF A WORLD WITHOUT NUCLEAR WEAPONS. WARM ALLIED SUPPORT FOR THE PRESIDENT'S EFFORTS. NEED TO AVOID TALK OF A FAILURE AND FOR VIGOROUS FOLLOW-UP ACROSS THE BOARD ON ARMS CONTROL.

DETAIL

2. OPENING HIS COMPREHENSIVE DEBRIEF, SHULTZ SAID THAT BENEATH THE DISAPPOINTMENT OF THE MOMENT WAS A POSITIVE SENSE THAT POSSIBILITIES HAD BEEN OPENED UP FOR FAR-REACHING ARMS CONTROL AGREEMENTS. THE US WOULD CONTINUE TO PURSUE THESE, THE KEY TO PROGRESS WOULD BE THE COMBINATION OF ALLIED STRENGTH, COHESION, AND REASONABLENESS.

3. THE SUMMIT HAD BEGUN WITH A SHORT MEETING BETWEEN THE PRESIDENT AND GENERAL SECRETARY, AFTER WHICH BOTH SHULTZ AND SHEVARDNADZE HAD BEEN PRESENT THROUGHOUT. ALTHOUGH MOST TIME HAD BEEN SPENT ON ARMS CONTROL OTHER ISSUES, IN PARTICULAR HUMAN RIGHTS, HAD FEATURED STRONGLY. THE SOVIET SIDE HAD BEEN READY TO ACKNOWLEDGE PUBLICLY THEIR PREPAREDNESS TO CONSIDER HUMAN RIGHTS ISSUES (AS OPPOSED TO INDIVIDUAL HUMANITARIAN CASES).

4. ON THE FIRST DAY BOTH SIDES HAD TABLED PAPERS ON ARMS CONTROL (THE SOVIET PAPER CAME FIRST) AND IN THE AFTERNOON GORBACHEV AND THE

ANCE COPY

FLASH

Ps/PUS
Mr Soodra
Mr Thomas.

Sor D.
ACDD

Ps/no 10 Downing St. ✓
Mr MALABY, CAB. OFFICE
ASSESSMENTS STAFF,
CABINET OFFICE

MS

4. ON THE FIRST DAY BOTH SIDES HAD ^{SHULTZ'S} ARMS CONTROL (THE SOVIET PAPER CAME FIRST) AND IN THE AFTERNOON GORBACHEV AND THE PRESIDENT HAD HAD A FORTHRIGHT EXCHANGE OF IDEAS ON INF, START, NUCLEAR TESTING, SPACE AND STRATEGIC DEFENCE. THE OUTCOME OF THIS WAS THAT IN THE STRATEGIC AREA BOTH SIDES AGREED ON FINDING A WAY OF ACHIEVING 50 PER CENT REDUCTIONS BY CAREFUL CATEGORISATION OF THE ELEMENTS OF STRATEGIC FORCES, AND TAKING 50 PER CENT REDUCTIONS IN EACH. THIS WOULD RECOGNISE THE HISTORICAL DIFFERENCES IN EACH SIDES FORCE STRUCTURE. OVER NIGHT THE ARMS CONTROL WORKING GROUP CAME VERY CLOSE TO AGREEING A JOINT STATEMENT ON THIS.

5. THERE WAS NO AGREEMENT ON SOME KEY INF ISSUES OVER NIGHT, AND DISCUSSIONS CONTINUED IN THE MORNING WITH GORBACHEV APPARENTLY FREQUENTLY EMPHASISING THE THIRD COUNTRY FORCE ISSUE. HOWEVER BY THE END OF THE SECOND MORNING THE OUTLINE OF AN AGREEMENT EMERGED, THE MAIN FEATURES OF WHICH WERE A GLOBAL LIMIT OF 100 WARHEADS, WITH SOVIET MISSILES IN ASIA ONLY AND US MISSILES IN THE US (BUT APPARENTLY INCLUDING ALASKA), LIMITS ON SRINF AT THE PRESENT LEVEL ON THE SOVIET SIDE AND SUBSEQUENT NEGOTIATIONS ON REDUCTIONS IN THESE SYSTEMS. SHULTZ STRESSED THAT MANY FEATURES OF THIS AGREEMENT WERE NOT WRITTEN DOWN AND SO MIGHT SUBSEQUENTLY BE DISPUTED.

6. ON VERIFICATION GORBACHEV HAD APPEARED ALMOST TO COMPETE WITH THE PRESIDENT IN HIS DESIRE FOR A STRONG VERIFICATION REGIME. THE US HAD PUT FORWARD THEIR PROPOSALS ON INF VERIFICATION, INCLUDING ON SITE OBSERVATION OF THE DESTRUCTION OF SYSTEMS AND ON SITE MONITORING OF REMAINING INVENTORIES, WHICH HAD NOT BEEN RESISTED BY THE RUSSIANS. (ALTHOUGH SHULTZ WAS CAREFUL TO SAY THAT AGREEMENT WAS NOT SECURED.) THE SOVIET SIDE ALSO AGREED THAT SUCH A TREATY WOULD LAST UNTIL OVERTAKEN BY A SUBSEQUENT AGREEMENT.

7. ON TESTING SHULTZ ASSESSED THAT GORBACHEV WAS UNDER PRESURE FROM HIS OWN MILITARY TO RESUME TESTING BUT WANTED TO EXTRACT A PRICE FOR ENDING THE MORATORIUM. THE PRESIDENT WAS WILLING TO HELP BY SEEKING AGREEMENT ON MEASURES OF VERIFICATION WHICH WOULD LEAD TO RATIFICATION OF THE PNE AND THRESHOLD TREATIES. FAILING THIS THE US WOULD RATIFY ANYWAY, RESERVING ITS POSITION UNTIL SATISFIED ON VERIFICATION. THE US COULD ALSO AGREE TO TALKS ON STEP BY STEP REDUCTIONS IN TESTS IN PARALLEL WITH REDUCTIONS IN NUCLEAR ARMS.

8. ON SPACE AND STRATEGIC DEFENCES SHULTZ BEGAN BY SUMMARISING THE TWO SIDES RESPECTIVE POSITIONS BEFORE THE REYKJAVIK MEETING. ON THE FIRST DAY FORTHRIGHT EXCHANGES BETWEEN THE PRESIDENT AND GENERAL SECRETARY MADE NO PROGRESS, AND DURING SUBSEQUENT TALKS BETWEEN FOREIGN MINISTERS SHEVARDNADZE HAD LAID GREAT EMPHASIS ON THE SOVIET DEMAND FOR A 10 YEAR SUSPENSION OF THE ABM TREATY WITHDRAWAL PROVISION. SHULTZ HAD NO AUTHORITY TO AGREE, BUT ON THE FOLLOWING DAY AND WITH THE PRESIDENT'S PARTICIPATION THE US PUT TOGETHER AN ENTIRELY NEW PROPOSAL. THIS INVOLVED AN INITIAL PERIOD OF 5 YEARS DURING WHICH THERE WOULD BE 50 PER CENT REDUCTIONS IN STRATEGIC NUCLEAR FORCES AND SDI ACTIVITY WOULD BE LIMITED TO PERMITTED RESEARCH DEVELOPMENT AND TESTING UNDER THE ABM TREATY. DURING THE FOLLOWING 5 YEARS PROVIDED BOTH SIDES WOULD CONTINUE FORCE REDUCTIONS AT THE SAME PACE, THE SAME RESTRICTION ON STRATEGIC DEFENCES WOULD APPLY. THE SOVIET SIDE WOULD NOT ACCEPT THE WHOLE PROPOSAL BUT DID APPARENTLY ACCEPT THE PROVISION RELATING TO THE FIRST 5 YEARS.

... BUT DID APPARENTLY ACCEPT THE PROVISION RELATING TO THE FIRST 5 YEARS.

9. AT THIS POINT HOWEVER THE SOVIET SIDE MADE CLEAR THAT THEY WISHED TO CHANGE (UNDER THE GUISE OF CLARIFICATION) THE PROVISIONS OF THE ABM TREATY RELATING TO THE DIVIDING LINE BETWEEN PERMITTED AND UNPERMITTED RESEARCH. THE EFFECT WOULD HAVE BEEN TO RESTRICT SDI ACTIVITY TO WHAT COULD BE DONE WITHIN A LABORATORY (WHILE PERMITTING THE FULL RANGE OF ACTIVITY ON QUOTE TRADITIONAL UNQUOTE ABM COMPONENTS - SUCH AS THE SYSTEM ROUND MOSCOW). THE PRESIDENT WOULD NOT AGREE TO A CRIPPLING OF THE SDI PROGRAMME IN THIS WAY. HE COULD NOT DENY HIMSELF OR FUTURE PRESIDENTS THE RIGHT TO DEVELOP THE MEANS OF DEFENCE AGAINST BALLISTIC MISSILES. BY INSISTING ON SUCH CHANGES, GORBACHEV WAS WALKING AWAY FROM POTENTIALLY HISTORIC AGREEMENTS, BUT COULD NOT BE PERSUADED.

10. SHULTZ SAID THAT HE WAS AWARE OF CONCERN AMONG THE ALLIES ABOUT THE TOTAL ELIMINATION OF NUCLEAR WEAPONS. THE US HOWEVER WAS PREPARED TO FACE UP TO THE IMPLICATIONS OF THIS, AND IT WOULD BE WRONG TO UNDERESTIMATE THE PRESIDENT'S OWN STRENGTH OF PURPOSE, AND HIS INSTINCTS FOR THE FUTURE AND THE CONCERNS OF YOUNG PEOPLE. CLEARLY THE US WOULD TAKE NO UNILATERAL STEPS, NOR WAS THE ELIMINATION OF BALLISTICS MISSILES A PRACTICAL PROPOSITION WITHOUT THE FURTHER PARTICIPATION OF BRITAIN, FRANCE AND CHINA.

11. IN SUMMARY SHULTZ SAID THAT THERE WOULD NO DOUBT BE CRITICISM OF THE PRESIDENT AND THE US FOR AGREEING TO A SUMMIT WITH INADEQUATE GUARANTEES ABOUT THE OUTCOME. BUT THE MEETING HAD NOT BEEN A FAILURE DESPITE THE LACK OF SPECTACULAR SUCCESS WHICH MIGHT HAVE BEEN. THE US WOULD PRESS ON WITH THE OBJECTIVE OF MAKING PROGRESS BUILDING ON THE CREATIVE EFFORT AT REYKJAVIK. THE IDEAS PUT FORWARD THERE WOULD NOT DISAPPEAR.

12. ALL WHO SPOKE SUBSEQUENTLY EXPRESSED DEEP APPRECIATION AND GRATITUDE FOR THE EFFORTS OF THE PRESIDENT AND OF SECRETARY SHULTZ. THERE WAS NO DISPOSITION TO CRITICISE THE AMERICANS, AND AGREEMENT THAT IT WAS WRONG TO CHARACTERISE THE MEETING AS A FAILURE, AS MUCH OF THE PRESS HAD ALREADY DONE. IT WOULD BE IMPORTANT TO COUNTER SOVIET EFFORTS TO LAY BLAME ON THE US SIDE, AND TO TRY TO DIVIDE THE ALLIANCE. EMPHASIS SHOULD BE PLACED ON THE NEED TO FOLLOW-UP THE PROGRESS WHICH HAD BEEN MADE IN REYKJAVIK IN THE APPROPRIATE NEGOTIATING FORA.

13. SHULTZ MADE A NUMBER OF FURTHER POINTS IN ANSWER TO DETAILED QUESTIONS. HE DID NOT KNOW WHETHER THE RUSSIANS HAD REESTABLISHED A LINK BETWEEN INF AGREEMENT AND SDI, BUT THE US TEAM IN GENEVA WOULD PROCEED ON THE BASIS THAT INF QUOTE STOOD ALONE UNQUOTE. ON INTERPRETATION OF THE ABM TREATY SHULTZ SAID THE PROBLEM WAS LESS ONE OF DIFFERING INTERPRETATIONS THAN OF A SOVIET ATTEMPT TO INTRODUCE RADICAL CHANGE. THE 2 SIDES HAD NOT COME TO GRIPS WITH THE DETAILS OF ANY SRINF NEGOTIATIONS FOLLOWING AN LRINF AGREEMENT, SUCH AS THE RANGES TO BE INCLUDED ETC. THE US WAS FULLY COMMITTED TO THE PROCESS OF CONVENTIONAL ARMS CONTROL AS WELL, BUT BELIEVED STRONGLY THAT NEGOTIATIONS SHOULD NOT INCLUDE THE NEUTRAL AND NON-ALIGNED. NO DATE WAS SET FOR THE WASHINGTON SUMMIT AND SHULTZ PERSONALLY BELIEVED IT WAS MOST UNLIKELY TO TAKE PLACE IN 1986, EVEN THOUGH QUOTE HE NEVER SAID NEVER UNQUOTE. FINALLY BOTH HE AND THE PRESIDENT BELIEVED THAT

WAS MOST UNLIKELY TO TAKE PLACE IN 1986 EVEN THOUGH QUOTE HE NEVER SAID NEVER UNQUOTE. FINALLY BOTH HE AND THE PRESIDENT BELIEVED THAT THE US AND ALLIED INTEREST WOULD BE SERVED BY BEING AS CANDID AS POSSIBLE IN PUBLIC ABOUT WHAT HAD TAKEN PLACE AT THE SUMMIT IN REYKJAVIK.

14. FULL RECORD FOLLOWS BY BAG.

ALEXANDER

YYYY

UBLNAN 1040

NNNN

[Faint, mostly illegible text, possibly bleed-through from the reverse side of the page]