

THE WHITE HOUSE

WASHINGTON

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SUMMARY OF TELEPHONE CONVERSATION

SUBJECT: President's Telephone Conversation with
Prime Minister Thatcher (U)

PARTICIPANTS: The President
Peter R. Sommer, Notetaker

Prime Minister Thatcher

DATE, TIME October 13, 1986
AND PLACE: 1:20 p.m. - 1:35 p.m.
The White House

In opening, Mrs. Thatcher told the President that he had done wonderfully at Reykjavik. Her main concern, said the Prime Minister, is for the President to make clear publicly that the fault for the stalemate lies with Gorbachev. Gorbachev's aim of stopping the President from going forward with SDI is simply unrealistic and harmful. (C)

The President replied that he was pleased with the opportunity to provide Mrs. Thatcher a personal readout of his meetings with Gorbachev in Reykjavik. We had intensive discussions in Iceland and reached agreements in a number of areas. But, in the end, these agreements floundered over Soviet insistence on killing SDI, even though they themselves are deeply engaged in similar research. We also discussed regional issues and human rights, but the main focus was on arms control. The President added that he did not plan on giving up; he would continue to pursue agreements. (C)

The President said he wanted to assure Mrs. Thatcher that British and French systems had not been the roadblock; indeed they had not been under discussion. The general tone of the talks was serious, but there was a great deal of haggling that went on all day long and into the night. Finally it became clear that the stumbling block was SDI. The Soviets wanted to restrict research to that which could be done in the laboratory. There were no takers on our side, said the President. Gorbachev was obsessed by the ABM treaty. The President quipped that Gorbachev worships ABM as if it were the Ten Commandments. (C)

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Continuing, the President said he told Gorbachev that he did not attach the same significance to the ABM treaty. To him, it represented two governments telling their peoples that they would not do everything possible to defend them. The President added that he also told Gorbachev that the Krasnoyarsk radar violated the ABM treaty. Gorbachev had not objected to his characterization, said the President. (C)

The President said he wanted Mrs. Thatcher to know that it looked like we had the framework for an INF agreement. The Soviets had agreed to eliminate INF missiles in Europe and to a global ceiling of 100 warheads. He underlined that there would be a global ceiling on INF missiles. (C)

Returning to the atmosphere in Reykjavik, the President said that after intensive discussions on Saturday, the two sides agreed to continue the negotiations into the evening via expert talks. There were two teams: one to address nuclear arms; the other to address regional, human rights, and bilateral issues. By Sunday morning, we had an agreement on a single sheet of paper on a wide range of issues. Of particular importance, said the President, was the agreement to abolish all nuclear missiles over a ten-year period. At the end of the first five-year period there would have been a fifty percent reduction in every kind of nuclear weapon, not just ballistic missiles. During the second five-year period, we would have eliminated the other fifty percent. (C)

The President continued that in return for this agreement on eliminating nuclear missiles, the U.S. would have committed itself to continue to confine its SDI research to that allowed by the ABM treaty. Recalling that there is a dispute over a strict versus a broad interpretation of the ABM treaty, the President reiterated that the US was willing to limit research over a ten-year period to that permitted by the ABM treaty. That is, said the President, we would not deploy SDI during this period, in return for the total elimination of all nuclear devices. (C)

The President observed that he had emphasized to Gorbachev throughout the discussions that the U.S. would be willing to share the results of our SDI research with the Soviet Union. Gorbachev had expressed doubts about our willingness. The President had insisted that he was willing to sign a binding treaty now to share SDI with the Soviets. But Gorbachev remained unconvinced. (C)

The President said that at the end of the talks we were hung up on one word: "laboratory." The Soviets wanted to renegotiate the ABM treaty to limit SDI research to that which takes place in a laboratory. Of course, he could not agree to this restriction.

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He had tried to use all his persuasive powers to convince Gorbachev to drop his insistence on this one word. Gorbachev would not budge, commented the President. (C)

Mrs. Thatcher thanked the President for his detailed comments on the talks. She said Gorbachev clearly was trying to divide Europe from America. She opined that if Gorbachev had said before Reykjavik that progress in other areas was linked to abandonment of SDI, the President would not have gone to Iceland. In hindsight, Reykjavik looks like a Soviet setup. Gorbachev had tried to set strict pre-conditions about SDI before Geneva. And the positions he pushed in Reykjavik appear to be a step backward, even from what he proposed in Geneva. Gorbachev had left Geneva with nothing to take home. In Reykjavik, he was trying to recoup lost ground. But in doing so, Gorbachev was actually proposing less than he had agreed to in Geneva. (C)

Mrs. Thatcher emphasized that the Soviet offer to eliminate all nuclear missiles in return for a 10-year agreement to restrict SDI research to the laboratory is extremely dangerous. The West has relied on nuclear deterrence for many years. The elimination of all nuclear weapons would strike at the heart of our deterrence strategy. The Soviets clearly have conventional superiority. Doing away with nuclear weapons would leave the Soviets with the upper hand. The President replied that we do not believe the conventional situation is so imbalanced. Furthermore, what the Soviets do not want is a war, he opined. We would, however, have to increase our conventional efforts. (C)

Mrs. Thatcher repeated that Reykjavik looked like a Soviet setup. She was sure the President would not have gone if Gorbachev had indicated beforehand that all progress was linked to an agreement to kill SDI. Be sure, she underscored, to put the blame for the stalemate on Gorbachev. He had reverted to pre-Geneva positions. The President observed that he would be addressing the American people on TV early this evening. He had previously pledged to them that he would not give up SDI, and he had no intention of doing so. (C)

Reiterating that our policy of deterrence rests on nuclear weapons, Mrs. Thatcher said we had to be careful in advocating the elimination of all such weapons. Giving up nuclear weapons is the sort of thing that Neil Kinnock advocates. This would be tantamount to surrender, so we must be very, very careful. The United Kingdom, said Mrs. Thatcher, has no intention of giving up its independent nuclear deterrent. Winston Churchill had long ago declared that an independent nuclear deterrent was the only way for smaller countries, like Great Britain, to equalize the strength and power of bigger countries. Some British missiles would always get through. Thus, the Soviets did not have a free hand regarding the UK. (C)

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Mrs. Thatcher reemphasized that Reykjavik looked like a setup. The Soviets were looking for propaganda gains to separate Europe from the U.S. Please be sure, repeated the Prime Minister, to assign fault for the breakdown to Gorbachev. You should also make clear that, if the Soviets walk away from further discussions, they have no one to blame but themselves. (C)

The Prime Minister continued that she was confident the President had looked out for Western interests. You did a magnificent job, said Mrs. Thatcher. We remain concerned, however, that if we give up all our nuclear weapons the Soviets -- with their conventional superiority -- could just sweep across Europe. The President commented that he was sure we could develop a strategy to defeat the Soviets. Afghanistan has blunted their image of invincibility. (C)

Saying if it was convenient, she hoped to come over and meet with the President on November 15. The President replied that he was aware of her suggestion to meet and wanted to do it. He continued that he had his people working on setting up a mutually convenient time. (C)

Mrs. Thatcher again expressed her gratitude for what she called a job well-done in Reykjavik. You lived up to the confidence we have in you. She understood that Secretary Shultz had received a warm reception when he briefed the NATO allies in Brussels today. The President responded that this was welcome news. (C)

In closing, Mrs. Thatcher sent her blessings to the President and love to Nancy. The President said "send our love to that fine husband of yours." (U)

The phone conversation concluded at 1:35 p.m. (U)

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