SECRET

A STATE OF THE STA

Mader Cio 3

10 DOWNING STREET

From the Private Secretary

21 July 1986

ARMS CONTROL

I enclose a copy of a letter to the Prime Minister from President Reagan about his intended reply to the latest Soviet arms control proposals.

The Prime Minister will have a word about them with Ambassador Nitze after the United States Ambassador's dinner for Mrs Reagan tomorrow evening. It would be helpful to have a brief commentary on the proposals together with any points which you want the Prime Minister to make by 1700 tomorrow please.

I am copying this letter and enclosure to John Howe (Ministry of Defence) and Michael Stark (Cabinet Office).

Charles Powell

A.C. Galsworthy, Esq., CMG., Foreign and Commonwealth Office.

EMBASSY OF THE UNITED STATES OF AMERICA LONDON July 21, 1986

Dear Prime Minister:

Enclosed is a letter which President Reagan has asked me to deliver to you.

With best wishes.

Sincerely,

Edudie

Charles H. Price, II

Ambassador

Enclosure: SECRET

The Rt. Hon. Margaret Thatcher, M.P., Prime Minister, Number Ten Downing Street, London, SW1.

SECRET SUBJECTIC OPS COSE

PRIME MINISTER'S July 20, 1986 SERIAL No. 7/37/8 Declassified

Dear Margaret:

Our continued confidential exchange of ideas on issues related to our common security is a significant source of strength for the West. As part of this process, your Government has been fully informed of developments at the Geneva Nuclear and Space Talks, including the latest Soviet proposals.

I plan to send General Secretary Gorbachev a letter giving him a general outline of my views. This would be followed up with discussions between our delegations in Geneva, between our Foreign Ministers, and in diplomatic channels. At the outset, I plan to address research on the feasibility of advanced strategic defenses, since this matter is of great concern both to me and to Mr. Gorbachev. We both agree that neither side should deploy strategic defenses simply to augment offensive capability. To this end, I propose to tell him that I am prepared to conclude an agreement as follows:

- -- Both sides would confine themselves for a period of no less than five years (through 1991) to a program of research, development and associated testing, which is permitted by the ABM Treaty, to determine the technical feasibility of advanced reliable systems of strategic defense.
- -- Following this period of research, either the U.S. or the Soviet Union may desire to proceed beyond research, development and associated testing to deployment of an advanced strategic defense system. In such a case the parties would enter into negotiation for a period of no more than two years on an agreement to share the benefits of such a system and to eliminate the offensive ballistic missiles of both sides. I would be prepared to sign a treaty now that provided for this future arrangement.
- If there is no agreement on such a plan at the end of the two years, either side would be free to deploy unilaterally after six-month notice.

SECRET

SECRET

-- Our representatives are also prepared to discuss additional assurances concerning weapons in space capable of inflicting mass destruction on earth.

Significant commitments of this type make sense only in conjunction with stabilizing reductions in offensive nuclear arsenals. Here I propose we proceed as follows:

-- In START, we remain committed to the principle of 50 percent reductions, but are prepared to consider initial reductions of a less sweeping nature as an interim measure.

-- In INF, our goal remains the elimination of longrange INF missile systems in Europe and in the rest of the world as well. If it is not immediately possible to reach such an agreement, a partial or interim approach may prove the most fruitful path to achieving early reductions in these systems.

-- Once we achieve a fifty percent reduction in U.S. and Soviet strategic offensive arsenals and make progress in eliminating LRINF nuclear missiles, we would continue to pursue negotiations for further reductions, with other nuclear powers participating.

-- With respect to nuclear testing, we are hopeful that the discussions between our respective experts will make progress toward eliminating the verification uncertainties which currently preclude ratification of the treaties signed in 1974 and 1976. Upon ratification of these treaties and in association with a program to reduce and eliminate nuclear weapons, we would be prepared to discuss a parallel program regarding nuclear testing.

-- With regard to conventional and chemical forces, existing fora and channels should be used, supplemented by bilateral exchanges at the level of experts.

You will notice that I have tried explicitly to take into account concerns that Mr. Gorbachev raised with me in Geneva, as well as the recent Soviet proposals. The framework I am proposing should permit us to proceed immediately to reduce existing nuclear arsenals, and to establish conditions for proceeding to further reductions

SECRET

SECRET

-3-

toward the goal of total elimination. With respect to those aspects subject to negotiation in the Nuclear and Space Talks in Geneva, I will be instructing our negotiators to present detailed proposals when the next round of negotiations begins in September.

Ambassador Nitze is prepared to meet with you at your convenience early in the week of July 21. He can discuss my thinking in more detail, respond to any questions you may have, and get your views and report them to me.

I have no illusions that it will be easy to reach agreement with the Soviet Union, given the major differences that still separate us, but I know you share my conviction that it is important to move the process forward. If we in the West maintain the solidarity that has served us so well, our efforts have a good chance of success. I continue to rely on your counsel and support.

Sincerely yours,

/s/

Ronald Reagan