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Prime Minister
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MR POWELL

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FIRST THOUGHTS ON THE SUMMIT

1. The summit was strong on presentation but weak on substance. It was a personal and public relations success, but there was no movement on the central issues.
2. The presentation is not without importance. Reaffirmation of the need for a stable US/Soviet relationship is reassuring and the undertakings for regular meetings will act as a moderating factor and also an encouragement for further agreement. Nevertheless, beneath the wrapping the package remains rather empty.
3. Each side saw advantages in presenting this limited achievement as positively as possible. For President Reagan the approach allowed him to sidestep the central problem of SDI, and without giving anything away on it, to win Gorbachev's support for a process of better relations. Reagan has done well out of the deal.
4. For Gorbachev, the advantages are perhaps less obvious. Having insisted until the last minute that success was to be measured in terms of a check on SDI, he had to claim a success without its most important component. This may give him some problems with his military. But he has asserted the Soviet Union's right to be treated as an equal with the United States. With the prospect of further Summits he has strengthened his own prestige, which will be relevant to the forthcoming Party Congress. A better East/West atmosphere will allow him rather more freedom to pursue a major objective, namely the improvement of the Soviet economy. He lives to fight another day on SDI; and his calculation must be that by maintaining his stand on the issue whilst creating an atmosphere of East/West detente, he is

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establishing conditions in which that battle can be pursued on favourable terms. Western public opinion has proved in the past susceptible to the illusions of detente and Gorbachev has displayed formidable ability to exploit the Western media.

5. For Western Europe the outcome is welcome since it avoids hard choices: for the time being SDI has not precluded warmer East/West relations. Moreover it is possible that there could be progress over INF. This is now decoupled from SDI and the Soviet Union could see advantage in such progress as driving wedges between Western Europe and the Americans and as increasing the leverage on the United States to compromise over strategic weapons and space.

6. It will be interesting to watch Soviet behaviour in the Third World. It should be in Gorbachev's interest to tread softly and avoid too forward a policy in, for example, Central America and Southern Africa. Some Soviet gesture on Afghanistan may not be out of the question, though it is difficult to see how they could afford to withdraw entirely, given the prospect of a totally hostile Afghanistan. From what we have seen, I would guess that generally Gorbachev will seek to break out of the frozen Gromyko positions and look for maximum room for manoeuvre, always with an eye to the image of detente. One area where he cannot be satisfied is Soviet/Chinese relations. Why should the United States alone have the freedom of the Moscow/Washington/Peking triangle? I would expect considerable Soviet effort there.

7. All this, however, has a term set to it; US/Soviet relations cannot be maintained indefinitely by papering over the cracks. There will either have to be some compromise on SDI (not inconceivable but unlikely) or a reversion to more open antagonism. Nor, given the momentum of US research and

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the fact that Soviet national security is involved, can Gorbachev allow much time for achieving his objectives by way of detente. He may already be taking some risks, presumably in the interest of his economic goals. Much will depend on the Soviet perception of United States public and congressional attitudes, but my guess would be that SDI has now taken too deep a root to be abandoned when Reagan goes. Even now it would be only prudent for the Soviet Union to intensify its research into ballistic missile defence against the possibility that agreement with the US on space proves unobtainable.

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PERCY CRADOCK