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O O N F I D E N T I A L SECTION OF 83 LONDON 22447

F D 12356: DECL: DADE TAGS: PREL, US, UR, UK SUBJECT: BRITISH REACTION TO REYKJAVIK: AS THE DUST SETTLES. PERSPECTIVE RETURNS

1. KENTIRE TEXT)

2. SUMMARY. IN THE FIVE DAYS SINCE REYKJAVIK, AN INITIAL. HEDIA-INSPIRED ATMOSPHERE OF DEEP GLOCH AND DOOM OVER THE HIMI-SUMMIT'S FAILURE HAS GIVEN WAY TO FAIRLY WIDESPREAD, CAUTIOUS OFFINISH THAT A SIGNIFICANT ARMS CONTROL ACCORD REMAINS WITHIN REACH. NEARLY ALL RUT THE LABOR PARTY ARE NOW POINTING TO THE HOPEFUL SIGNS THAT EMERGED FROM REYKJAVIK, AND THE GOVERNMENT HAS PUBLICLY DEFENDED PRESIDENT REAGAN'S INSISTENCE ON PROCEEDING WITH SDI. STILL MING IS CONCERNED BY WHAT THEY SEE AS A LAPSE IN ALLIED CONSULTATION DURING THE SUMMIT- GIVEN THE SCOPE OF THE AGREEMENTS UNDER CONSIDERATION -- AND BY THE ADMINISTRATION'S EMBRACE OF THE GOAL OF ELIMINATING ALL BALLISTIC SYSTEMS WITHIN TEN YEARS. THE TORIES FEAR THAT THE LATTER HAY LOOK TOO COMPATIBLE TO THE PUBLIC WITH LABOR'S CALL FOR A MUCLEAR-FREE EUROPE AND A GRADUAL ELIMINATION OF ALL NUCLEAR WEAPONS. END SUMMARY.

REYKJAVIK IN AN ALREADY CHARGED ATMOSPHERE

3. ANNOUNCEMENT OF THE REYKJAVIK MINI-SUMMIT CAME NEAR THE END OF ONE OF THE MORE INTERESTING AND SPIRITED PARTY CONFERENCE SEASONS IN BRITAIN IN RECENT YEARS. THE MUCLEAR DEFENSE ISSUE HAD HOVED DRAMATICALLY TO NEAR CENTER STAGE AND THE POLITICAL DEBATE HAD BECOME INCREASINGLY HEATED IN ANTICIPATION THAT PH THATCHER WOULD OPT FOR A GENERAL ELECTION IN 1987. THE POLL-LEADING LABOR PARTY HAD WARMLY EMBRACED UNILATERALISM IN A TIGHTLY-RUN CONFERENCE; THE SOP/LIBERAL ALLIANCE, IN SERIOUS DISARRAY OVER WHETHER TO REPLACE POLARIS. WAS LOSING POPULAR SUPPORT: AND THE TORIES, WITH NEWFOUND OPTIMISH, WERE PRESENTING THEMSELVES AS THE NAME AND A STREET OF STREET OF STREET WAS A CONTRACT OF STREET

WHILE EXPECTATIONS OF REYKJAVIN WERE MODEST AND GUARDED ACCROSS THE POLITICAL SPECTURN, THE ATTENTION OF BRITISH POLITICIANS AND HEDIA BECAME FAIRLY RIVITED ON THE ICELANDIC CAPITAL. THEIR FOCUS WAS NOT JUST ON THE POSSIBILITY OF MOVEMENT ON ARMS CONTROL, AND THE IMPACT A BREAKTHROUGH HIGHT HAVE ON BRITISH AND NATO SECURITY. BUT ALSO ON EXPECTED IF UMPREDICTABLE DOMESTIC POLITICAL FALLOUT FROM ANY ARMS CONTROL PROGRESS.

THE PRESS OVERREACTS. AND THE OPPOSITION FOLLOWS

4. AGAINST THIS BACKGROUND, THE IMMEDIATE POST-REYKJAVIK SOVIET PR OFFENSIVE SCORED WELL IN BRITAIN, OWING LARGELY TO TWO ENGINES: (1) A GROWING--THOUGH PROBABLY STILL MINORITY--PUBLIC PERCEPTION OF WASHINGTON (SINCE THE LIBYA RAID) AS UNSTEADY, INATTENTIVE TO EUROPEAN CONCERNS. LESS INTERESTED IN REDUCING NUCLEAR ARMS THAN MOSCOW, AND OBSESSED WITH DEVELOPING "STAR WARS;" AND (2) A TYPICALLY SENSATIONALIST BRITISH PRESS WHICH QUICKLY PAINTED A FAR DARKER PICTURE OF GLOCK THAN EVEN THE SOVIETS WERE PRESENTING. EXPRESSIONS OF PROFOUND DISAPPOINTHENT, ACCOMPANIED BY FINGER-POINTING--MOSTLY TOWARD WASHINGTON--ABOUNDED FOLLOWING REYKJAVIK. IT WAS ALL BUT FORGOTTEN THAT, PRIOR TO REVAJAVIK, NO ONE HERE HAD IMAGINED THAT THE PRESIDENT AND GORBACHEN WOULD GET ANYWHERE NEAR AS MUCH ON THE ARMS CONTROL TABLE AS THEY DID, LET ALONE THAT AN OVERALL ARMS ACCORD WAS WITHIN REACH

S. INITIAL HMG REACTION TO REYKJAVIK WAS NOTIGEABLY

MUSTED. WITH DOWNING STREET DEFERRING COMMENT UNTIL MORE OF THE FACTS WERE IN. SOP LEADER DAVID OVEN QUICKLY TERMED THE RESULT "DEEPLY DISAPPOINTING," BUT QUALIFIED HIS REACTION BY NOTING THAT IN NEGOTIATIONS OF SUCH BREADTH AND IMPORT IT WAS NECESSARY TO BE PATIENT AND "GET IT RIGHT," NO SUCH RESERVE, HOWEVER, FROM THE LABOR PARTY LEADERSHIP: SHADOW DEFENSE SECRETARY DENZIL DAVIES CALLED IT "VERY TRAGIC AND SERIOUS THAT THESE TALKS HAVE BROKEN DOWN AND ESPECIALLY SERIOUS THAT THEY HAVE BROKEN DOWN OVER STAR WARS. " SHADOW FOREIGN SECRETARY DENIS HEALEY. ECHOING PAUL WARNKE'S INSTANT. CAUSTIC CRITICISM OF THE PRESIDENT ON BRITISH TV. LAID THE BLAME REAVILY ON PRESIDENT REAGAN AND SDI.

RT

NLS <u>F97-03/2#12-2</u>
BY <u>LOJ</u> NARA, DATE <u>11/16/00</u>