

1158/7.

XX

LISF0004/07

OO F C O

OO WASHINGTON

PP UKDEL NATO

PP MOD UK

RR ANKARA

RR ATHENS

RR BONN

RR BRUSSELS

RR COPENHAGEN

RR THE HAGUE

RR LUXEMBOURG

RR MADRID

RR OSLO

RR OTTAWA

RR PARTS

RR REYKJAVIK

RR ROME

RR UKDEL VIENNA

RR UKDEL STOCKHOLM

GRS 1600

CONFIDENTIAL

FM LISBON 070652Z JUN 85

TO IMMEDIATE F C O

TELEGRAM NUMBER 302 OF 7 JUNE.

INFO IMMEDIATE WASHINGTON

INFO PRIORITY UKDEL NATO AND MOD UK

INFO ROUTINE OTHER NATO POSTS.

MY TELNO 301: NORTH ATLANTIC COUNCIL MINISTERIAL MEETING, 6 JUNE:

SALT II INTERIM RESTRAINTS

SUMMARY

SHULTZ EXPLAINS BACKGROUND TO DILEMMA FACING U.S. ADMINISTRATION AND

COURSES OPEN TO IT. MINISTERS VIEWS OF ALLIES. ALL URGE CONTINUED

U.S. OBSERVANCE OF SALT II RESTRAINTS WITH INCREASED EMPHASIS ON

SOVIET VIOLATIONS.

Reykjavik
Repetition to
Retained for Departmental decision;
repeated as requested to other posts.

W

DETAIL

1. AT THE END OF HIS GENERAL STATEMENT, SHULTZ SAID THAT HE WISHED TO SOUND ALLIES BEFORE THE PRESIDENT TOOK A DECISION ON THE ISSUE OF INTERIM RESTRAINTS. THE PROBLEM NEEDED TO BE SEEN AGAINST THE BACKGROUND OF:

- A) THE FACT THAT IN THE 6 YEARS SINCE THE SALT II TREATY HAD BEEN SIGNED, THE SOVIET UNION HAD ADDED 4,000 WARHEADS TO ITS INVENTORY WHICH WAS NOT AN IMPRESSIVE ARGUMENT FOR THE VALUE OF THE TREATY:
- B) THE INTERIM RESTRAINT MEASURE WAS DESIGNED TO BE RECIPROCAL AND CONTINGENT ON THE SOVIET UNION OBSERVING SIMILAR RESTRAINTS:
- C) A PATTERN OF SOVIET VIOLATIONS: AND
- D) THE IMMINENT LAUNCH OF A NEW U.S. TRIDENT SUBMARINE WHICH WOULD BRING THE U.S. UP AGAINST THE LIMITS.

2. SOVIET VIOLATIONS INCLUDED (NOT A COMPREHENSIVE LIST):

- A) DEVELOPMENT OF A SECOND TYPE OF NEW MISSILE: THIS WAS A CLEAR VIOLATION OF MILITARY SIGNIFICANCE BECAUSE IT WAS MOBILE AND VERY ACCURATE:
- B) THE HEAVY USE OF ENCRYPTION OF TELEMETRY AND
- C) THE CONSTRUCTION OF THE PHASED ARRAY RADAR AT KRASNOYARSK, A VIOLATION OF THE ABM TREATY WHICH WAS OF MILITARY SIGNIFICANCE SINCE IT WOULD PUT THE SOVIET UNION IN A POSITION TO EXPLOIT AN EARLY BREAKOUT FROM THAT TREATY.

THESE VIOLATIONS NATURALLY TENDED TO UNDERMINE PUBLIC CONFIDENCE IN THE VALUE OF TREATIES. SHULTZ ADDED THAT THERE WAS PROVISION IN THE SALT II AND ABM TREATIES FOR CONSULTATION. THE U.S. HAD DISCUSSED THESE VIOLATIONS THROUGH THE PROPER MACHINERY REPEATEDLY BUT HAD GOT NOWHERE.

3. SHULTZ SAID THAT THE PRESIDENT FACED ROUGHLY 3 COURSES:
- A) IT WOULD BE ARGUED THAT THE TREATY NETWORK, THOUGH NOT RATIFIED, WAS IMPORTANT AND THAT THE U.S. SHOULD CONTINUE TO COMPLAIN BUT TAKE NO ACTION:
 - B) THE U.S. SHOULD CONTINUE TO COMPLAIN AND SHOULD USE SOVIET VIOLATIONS TO EXTRACT MORE MONEY FROM CONGRESS FOR THE DEFENCE BUDGET (THEY HAVE BEEN TRYING TO DO THAT WITHOUT GREAT SUCCESS):
 - C) WHILE CONTINUING THE DEVELOPMENT (NO DEPLOYMENT) OF THE MIDGETMAN MISSILE WITH ITS MOBILITY AND SINGLE WARHEADS WHICH CONTRIBUTED TO STABILITY BUYT FOR WHICH NO OPERATION DECISION WAS NECESSARY AS YET, THEY MIGHT CONSIDER TAKING OUT OF SERVICE SOME EQUIVALENT NUMBER OF MISSILES, SPECIFICALLY A POSEIDON SUBMARINE. AND WITHIN THIS OPTION, THERE WERE 5 VARIANTS:
 - I) IN STRICT COMPLIANCE WITH THE SALT II LIMITS, THEY SHOULD TAKE THE BOAT OUT OF SERVICE AND CUT IT UP (SHULTZ NOTED THAT THE SOVIET UNION HAD DONE THIS WITH ONE EQUIVALENT SUBMARINE BUT HAD RECONSTRUCTED IT SO AS TO CARRY CRUISE MISSILES):
 - II) THEY COULD LAY UP THE BOAT, WITH A CREW ON BOARD, REMOVING THE MISSLES AND LEAVING THE HATCHES OPEN. IN THAT CASE IT COULD BE PUT BACK INTO SERVICE RAPIDLY:
 - III) THEY COULD PUT THE BOAT IN FOR MAJOR OVERHAUL IN WHICH CASE IT WOULD BEOUT OF ACTION FOR 18 MONTHS BUT, BECAUSE ONE WOULD NOT SPEND MONEY OTHERWISE, IT WOULD BE THEIR CLEAR INTENTION TO BRING IT BACK INTO SERVICE IN DUE COURSE:
 - IV) THEY COULD LAY UP THE BOAT WITHOUT A CREW, AND LET THE REACTOR COOL DOWN IN WHICH CASE IT WOULD TAKE SOME 9 MONTHS TO PUT INTO SERVICE: OR
 - V) THEY COULD TREAT THE SOVIET VIOLATIONS AS JUSTIFICATION OF A DECISION NOT TO CONTINUE OBSERVANCE OF THE RESTRAINTS. (SHULTZ NOTED THAT IN THAT CASE OF COURSE BUDGETARY AND OTHER CONSIDERATIONS WOULD STILL CONTINUE TO APPLY SOME UNILATERAL CONSTRAINTS.)
- HE INVITED THE VIEWS OF ALLIES WHICH HE WOULD REPORT FAITHFULLY.

4. VAN DEN BROEK ARGUED FOR CLOSE COMPLIANCE WITH THE ABM TREATY, AN ABSOLUTE PRE-REQUISITE. BREACH OF IT WOULD HAVE IMPORTANT IMPLICATIONS FOR THE DISCUSSIONS IN GENEVA OF THE SDI. IF EUROPEAN GOVERNMENTS WERE TO BE FACED WITH THE PRECEPTION THAT EXISTING ARMS CONTROL AGREEMENTS WERE BEING BROKEN, IT WOULD UNDERMINE THE CREDIBILITY OF THE WHOLE ARMS CONTROL PROCESS WHICH WAS NOT ONLY THE BASIS FOR EAST/WEST RELATIONS BUT ALSO IMPORTANT FOR THE MAINTAINANCE OF PUBLIC SUPPORT. HE UNDERSTOOD THE POINT ABOUT SOVIET VIOLATIONS BUT THE NETHERLANDS HAD WELCOMED THE SALT II TREATY AND THE U S DECISION TO OBSERVE THE LIMITS UNILATERALLY. HE WAS CERTAINLY NOT CALLING FOR UNILATERAL U S COMPLIANCE BUT, ALTHOUGH HE MIGHT BE WRONG, HE DID NOT JUDGE THAT SOVIET VIOLATIONS YET AMOUNTED TO SUFFICIENT GROUND FOR ABANDONING THE RESTRAINTS. HE BELIEVED THAT ABANDONMENT ALTOGETHER OF THESE RESTRAINTS WOULD HAVE A VERY DISASTEROUS EFFECT ON DUTCH PUBLIC OPINION.

5. GENSCHER, WHO HAD SPOKEN IN HIS PUBLIC SPEECH AT THE OPENING CEREMONY OF THE NEED TO OBSERVE EXISITING TREATIES, SAID THAT THE CLOSER THE US COULD COME TO FULL ADHERENCE TO SALT II RESTRAINTS, THE BETTER. IT WAS UP TO THE ALLIES HOWEVER TO HELP THE U S AND WE SHOULD NOT LEAVE IT TO THEM ALONE TO DRAW ATTENTION TO SOVIET VIOLATIONS. HE HAD REFERRED TO THIS IN HIS OPENING SPEECH: WE SHOULD ALSO DEMAND SOVIET OBSERVANCE OF THE RESTRAINTS, COUPLING THIS WITH FULL SUPORT FOR THE U S NEGOTIATING POSITION IN GENEVA.

6. ANDREOTTI SAID THAT ITALY WAS FOLLOWING THE PUBLIC DEBATE ABOUT SALT II RESTRAINTS WITH FEAR. THE SALT TREATIES WERE SEEN IN ITALY AS A MAJOR STEP IN ARMS CONTROL. ITALY HAD APPROVED PRESIDENT REAGAN'S DECISION TO OBSERVE THE LIMITS. ANY DECISION NOT TO CONTINUE THAT WOULD HAVE VERY NEGATIVE EFFECTS IN ITALY AND FOR THE WHOLE ARMS CONTROL PROCESS, AS WELL AS FOR THE ALLIANCE.

7. IN THE COURSE OF YOUR STATEMENT, YOU ACKNOWLEDGED THE LEGITIMATE CASE FOR WESTERN MODERNISATION. YOU ALSO RECOGNISED THAT THE SOVIET UNION HAD A CASE TO ANSWER ON VIOLATIONS. BUT WE NEEDED TO REMEMBER THAT EVEN THE SOVIET UNION RECOGNISED THAT THERE WERE SOME RULES WITH WHICH THEY HAD TO COMPLY, OR PURPORT TO COMPLY, AND WE NEEDED TO TAKE GREAT CARE NOT TO UNDERMINE THAT. YOU AGREED THEREFORE WITH VAN DEN BROEK AND GENSCHER. IF POSSIBLE THE U S DECISION SHOULD BE TAKEN ON THE BASIS THAT THE SALT II RESTRAINTS WOULD BE UPHeld. (THIS FITTED INTO THE ARGUMENT YOU DEVELOPED IN THE REST OF YOUR STATEMENT (SEE MY TELNO 303) THAT THE CREDIBILITY OF THE ARMS CONTROL PROCESS MUST BE PRESERVED). EVEN AS IT WAS, THE SOVIET UNION INCLINED TO ARGUE THAT THE AMERICANS HAD NOT RATIFIED THE SALT II TREATY AND WERE NOT THEREFORE SINCERE IN THE PURSUIT OF ARMS CONTROL: WE DID NOT WANT TO GIVE THEM THE FURTHER ARGUMENT THAT THE U S HAD REPUDIATED THE LIMITS CONTAINED IN THE TREATY.

8. DUMAS SAID THAT SALT II DID NOT DESERVE EITHER AN EXCESS OF HONOUR OR AN EXCESS OF INDIGNITY. HE REFERRED TO SOVIET VIOLATIONS BUT SAID THAT THE AGREEMENT HAD CONTAINED SOVIET DEVELOPMENTS TO SOME EXTENT. HE COULD NOT SPEAK OF THE TECHNICAL OR LEGAL ASPECTS BUT THE PROBLEM WAS POLITICAL. WITHOUT PUBLIC OPINION OR PARLIAMENT, THE SOVIET UNION COULD EXPLOIT UNCERTAINTIES IN THE WESTERN BASE. RENUNCIATION THEREFORE, PURE AND SIMPLE OF SALT II LIMITS WOULD HAVE REPERCUSSIONS FOR ARMS CONTROL AND THE ABM TREATY (IT WAS INCONSISTENT TO RENOUNCE THE ONE ON THE GROUNDS OF SOVIET VIOLATIONS WHILE MAINTAINING THE OTHER ALTHOUGH IT HAD BEEN VIOLATED). RENUNCIATION WOULD PUT US ON THE DEFENSIVE AND WOULD BE MISUNDERSTOOD BY THE PUBLIC. IT WOULD BE BETTER TO TRY TO TURN THE TABLES ON THE SOVIET UNION BY CHALLENGING THEM TO OBSERVE THE EXISTING LIMITATIONS IN SPACE AS A MEANS OF PRESSURE ON THEM TO OBSERVE ALSO THE ABM.

9. SHULTZ INTERVENED TO SAY THAT ONE REFINEMENT THAT WAS BEING CONSIDERED IN THE ADMINISTRATION WAS TO LAY UP A POSEIDEN BOAT FOR ONE YEAR, MAKING CLEAR THAT IF THE SITUATION REMAINED AS IT WAS, SHE WOULD BE PUT BACK IN COMMISSION. BUT IF VIOLATIONS CEASED OR THERE WERE PROGRESS IN ARMS CONTROL, SHE WOULD BE BROKEN UP. WAS THAT THE SORT OF THING THAT DUMAS HAD IN MIND ? DUMAS SAID THAT HE COULD NOT FOLLOW SHULTZ IN THE TECHNICALITIES: HIS IDEA WAS TO DENOUNCE SOVIET VIOLATION AND TO PUT THEM TO THE TEST OF SINCERITY IN ARMS CONTROL.

10. ALL THE OTHER FOREIGN MINISTERS, INCLUDING STRAY (NORWAY), POOS (LUXEMBOURG), ELLEMANN-JENSEN (DENMARK), CLARK (CANADA), HALEFOGLU (TURKEY), TINDEMANS (BELGIUM), HALLGRIMSSON (ICELAND), GAMA (PORTUGAL) AND MORAN (SPAIN) ARGUED FOR CONTINUED ADHERENCE TO SALT LIMITATIONS. STRAY SAID THAT A U S DECISION NOT TO OBSERVE WOULD HAVE A VERY NEGATIVE IMPACT: MINOR BREACHES WOULD BE BETTER. POOS SAID THAT LUXEMBOURG'S BASIC PREMISE WAS THAT ALL TREATIES SHOULD BE OBSERVED. THE WEST SHOULD NOT PUT ITSELF IN A POSITION OF BEING NUMBERED AMONG THOSE WHO DID NOT COMPLY WITH THEIR COMMITMENTS. ELLEMANN-JENSEN ARGUED THAT ARMS CONTROL WAS LIKE A LADDER: YOU DID REMOVE THE RUNGS AS YOU CLIMBED UP IT. THE U S POLICY TO REJECT THE SALT II RESTRAINTS AS LONG AS THE SOVIET UNION DID, WAS WISE. CLARK THOUGHT THAT BY CONTINUING ITSELF TO OBSERVE THE LIMITS AND BY EXPOSING SOVIET LIMITATIONS THE U S WOULD BE QUOTE STAYING ON THE DEFENSIVE UNQUOTE, WHILE RENUNCIATION WOULD PUT US ON THE DEFENSIVE. TINDEMANS SAID THAT SALT II WAS ONE OF THE FEW TREATIES WHICH HAD GIVEN SOME STABILITY. THE US SHOULD CRITICISE SOVIET BREACHES BUT NOT ABANDON IT. MORAN HOPED THAT THE U S WOULD NOT DENOUNCE THE SALT II LIMITS SO LONG AS THEY COULD BE MAINTAINED.

11. IN A SEPERATE STATEMENT, THE GREEK PERMANENT REPRESENTATIVE SAID, ON INSTRUCTIONS, THAT HIS GOVERNMENT FAVOURED THE CONTINUED OBSERVANCE OF THE SALT II LIMITS.

BYATT