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FM WASHINGTON
TO IMMEDIATE FCO
TELNO 153
OF 220135Z JAN 86
INFO PRIORITY UKDEL NATO
INFO ROUTINE BONN, PARIS, ROME, THE HAGUE, BRUSSELS, MOSCOW
YOUR TELNO 83, GORBACHEV PROPOSALS ON ARMS CONTROL
SUMMARY

1. INITIAL REACTIONS WITHIN THE ADMINISTRATION DIFFER WIDELY. STATE'S GENERALLY POSITIVE, PARTICULARLY ON THE DROPPING OF SOVIET DEMANDS FOR COMPENSATION FOR THIRD COUNTRY SYSTEMS: THE PENTAGON'S MUCH MORE RESERVED. WHITE HOUSE LIKELY TO SIDE WITH STATE. A CASE FOR AN EARLY INDICATION HERE OF OUR REACTION TO THE IMPLICATIONS FOR UK FORCES?

DETAIL

2. THE ADMINISTRATION HAVE YET TO SORT THROUGH THE DETAIL OF GORBACHEV'S NEW PROPOSALS. BUT THE INITIAL REACTION OF STATE DEPARTMENT OFFICIALS IS POSITIVE. MOST BELIEVE THAT MORE THAN PROPAGANDA IS INVOLVED. THEY POINT OUT THAT THE GORBACHEV PROPOSALS CONTAINS SOMETHING OF POTENTIAL SIGNIFICANCE IN EVERY MAJOR ARMS CONTROL NEGOTIATION EXCEPT START AND SPACE/DEFENCE:VIZ,

(A) INF

MOST STATE DEPARTMENT OFFICIALS BELIEVE THAT THE RUSSIANS HAVE DEFINITELY DROPPED THEIR QUOTE EQUAL SECURITY UNQUOTE DEMAND FOR COMPENSATION FOR THIRD COUNTRY SYSTEMS. THIS IS REGARDED AS THE MOST IMPORTANT SINGLE ELEMENT IN THE NEW PACKAGE. THE RUSSIANS ARE THOUGHT FINALLY TO HAVE ACCEPTED THE PRINCIPLE OF US/SOVIET EQUALITY IN THE INF TOTALS THAT COUNT, IE MISSILES AND THEIR WARHEADS WITHIN RANGE OF EUROPE: AND THE ABSENCE OF EVEN A FREEZE ON SS20S IN SOVIET ASIA IS NOT SEEN AS DETRACTING FROM THE SIGNIFICANCE OF THE CONCESSION ON BRITISH AND FRENCH SYSTEMS,

(B) CW

THE APPARENT ACCEPTANCE OF VERIFICATION AND ON-SITE INSPECTION OF THE DESTRUCTION OF PRODUCTION FACILITIES IS WELCOMED,

(C) MBFR

THE CONCESSION ON PERMANENT EXIT AND ENTRY POINTS IS NOTED, BUT THERE IS CONCERN HERE AT THE PROSPECT OF AN EXTENDED AND DIFFICULT WRANGLE OVER VERIFICATION,

(D) CDE

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THE DROPPING OF NOTIFICATION OF NAVAL ACTIVITIES IS REGARDED AS IMPORTANT, AND LIKELY TO ENSURE THAT A PHASE I CDE AGREEMENT CAN BE REACHED BEFORE THE VIENNA MEETING.

3. STATE DEPARTMENT OFFICIALS ACKNOWLEDGE THAT THE QUOTE WEB OF PRECONDITIONS UNQUOTE AND LINKAGES, PARTICULARLY ON SDI, IS A MAJOR PROBLEM, SOME HOPE THAT THE RUSSIANS MIGHT IN PRACTICE PROVE FLEXIBLE. BUT OTHERS SAY THAT THE SOVIET NEGOTIATING TEAM IN GENEVA HAS ALREADY MADE CLEAR THAT PROGRESS ON AN INF AGREEMENT AS ENVISAGED IN THE NEW PROPOSALS IS CONTINGENT ON PROGRESS IN OTHER AREAS, AND THAT IF THE US WERE INSTEAD STILL TO WANT A SEPARATE INF AGREEMENT, IT WOULD HAVE TO BE AN INTERIM AGREEMENT OF THE SORT ENVISAGED IN THE SOVIET AUTUMN PROPOSALS (IE INVOLVING COMPENSATION FOR THIRD COUNTRY SYSTEMS).

4. THE VIEW FROM THE PENTAGON IS VERY DIFFERENT. OSD BELIEVE THAT THE GORBACHEV PROPOSALS ARE DESIGNED FOR PROPAGANDA EFFECT ON THE EUROPEAN LEFT AND ON CONGRESS, AND SEE THREE PARTICULAR DANGERS: VIZ:

- (A) FIRST, THE RUSSIANS ARE, BY PICKING UP REAGAN RHETORIC ABOUT THE ABOLITION OF NUCLEAR WEAPONS, ENCOURAGING A PROCESS IN THE WEST THAT MIGHT UNDERMINE NUCLEAR DETERRENCE,
- (B) SECOND, BY APPARENTLY MAKING THE ATTRACTIVE QUOTE ZERO-ZERO UNQUOTE OPTION OF WITHDRAWAL OF ALL SS20'S, GLCM'S, AND PERSHING'S FROM EUROPE CONDITIONAL ON A FREEZE ON UK AND FRENCH SYSTEMS, THE RUSSIANS MAY HOPE TO FOMENT DOMESTIC OPPOSITION TO UK AND FRENCH MODERNISATION PROGRAMMES, AND SOW DISSENT BETWEEN THE UK/FRANCE ON THE ONE HAND AND OTHER ALLIES, AND ALLIED (EG US) PUBLIC OPINION, ON THE OTHER,
- (C) THIRDLY, OSD (FOR THE FIRST TIME) SHOW SIGNS OF DOUBTING WHETHER THE PRESIDENT'S RESOLVE TO ACCEPT NO NEW CONSTRAINTS IN SDI WILL HOLD, GIVEN THE LIKELY EFFECT OF ADMINISTRATION, CONGRESSIONAL, PUBLIC AND ALLIED INTEREST IN THE NEW GORBACHEV PROPOSALS.

5. INTER-AGENCY DEBATE IS ONLY STARTING, BUT OUR HUNCH IS THAT THIS TIME STATE'S VIEWS ARE LIKELY TO CUT MORE ICE THAN OSD'S IN THE WHITE HOUSE. THAT ALSO SEEMS TO BE OSD,S SUSPICION. THE QUOTE YES BUT UNQUOTE INITIAL REACTION FROM THE WHITE HOUSE (MY TELNO 115) WAS PERHAPS INDICATIVE. ONE WOULD HAVE EXPECTED A MUCH MORE SCEPTICAL RESPONSE IN REAGAN'S FIRST TERM: A SEA-CHANGE

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HAS TAKEN PLACE. (PERLE HAS COMMENTED TO US PRIVATELY THAT GORBACHEV'S PROPOSALS ARE DANGEROUS PROPAGANDA MADE TWICE AS DANGEROUS BY THAT WHITE HOUSE REACTION.) HOWEVER WE REACT PUBLICLY TO THE GORBACHEV OFFER, OSD HOPE THAT WE WILL INDICATE PRIVATELY TO THE ADMINISTRATION AT A HIGH LEVEL OUR REACTIONS TO ITS IMPLICATIONS FOR OUR NUCLEAR FORCES.

COMMENT

5. THE OSD FEARS THAT THE EVENTUAL ADMINISTRATION REACTION MAY BE EXCESSIVELY FORTHCOMING ARE PROBABLY EXAGGERATED (PERHAPS FOR EFFECT). STATE'S REACTIONS DON'T SEEM STARRY-EYED, AND THE ONLY FORMAL WHITE HOUSE REACTION SO FAR, THOUGH NOT TO OSD'S TASTE, WAS BALANCED, CAUTIOUS AND SENSIBLE. BUT GORBAATHEV'S SKILFULL PRESENTATION DOES CONTAIN A NUMBER OF ELEMENTS WHICH ARE CALCULATED TO APPEAL TO THE PRESIDENT. IN SOME CASES, THIS IS GOOD NEWS FOR US: BUT OSD'S RISK (B) SHOULD PERHAPS BE TAKEN SERIOUSLY, AND KEPT IN MIND AS A MORE CONSIDERED UK ASSESSMENT IS PREPARED, FOR DISCUSSION WITH THE AMERICANS. IT MIGHT ALSO BE USEFUL AGAIN TO POINT OUT AT A HIGH LEVEL THAT THE ABOLITION OF NUCLEAR WEAPONS WOULD, IN THE EUROPEAN DEFENCE CONTEXT, BE DISTINCTLY BAD NEWS, AND THAT TO ENCOURAGE THE BELIEF THAT IT IS A FEASIBLE/DESIRABLE AIM IS TO RISK WEAKENING ALLIED RESOLVE.

WRIGHT

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DEFENCE : Arms Control: Part 7.

