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CONFIDENTIAL FM UKDEL NATO TO PRIORITY FCO **TELNO 132** OF 2516C5Z APRIL 86 AND TO PRIORITY MODUK INFO PRIORITY WASHINGTON, BONN, PARIS, MOSCOW INFO ROUTINE ROME, BRUSSELS, THE HAGUE INFO SAVING UKDIS GENEVA, UKDEL VIENNA, UKDEL STOCKHOLM INFO SAVING UKMIS NEW YORK, ANKARA, ATHENS, COPENHAGEN, LISDON INFO SAVING LUEXMBOURG, MADRID, OSLO, OTTAWA, REYKJAVIK

MODUK FOR DACU. DUS(P) AND DNPS

US RESPONSE TO SOVIET NON-COMPLIANCE IN ARMS CONTROL (YOUR TELNO OF 23 APRIL)

## SUMMARY

GRS 1100

1. NITZE ACCOMPANIED BY LEHMAN BRIEFED THE COUNCIL THIS MORNING ON THE PRESIDENT'S TENTATIVE DECISIONS. UNANIMOUS WELCOME FOR DISMANTLING OF TWO POSEIDON SUBMARINES: MUCH MISGIVING ACOUT THE EFECTS OF A CONDITIONAL DECISION TO BREAK OUT OF SALT II LIMITS LATER THIS YEAR ON PROSPECTS FOR SUMMIT AND GENEVA TALKS. LEHMAN CONFIRMED AS TOWER'S SUCCESSOR IN GENEVA.

## DETAIL

2. AMBASSADORS NITZE AND LEHMAN BRIEFED THE COUNCIL THIS MORNING. NITZE'S OPENING STATEMENT (FULL TEXT BY BAG) FOLLOWED ALMOST VERBATIM THE PRESIDENT'S LETTER TO ALLIED HEADS OF GOVERNMENT (A COPY OF WHICH WAS ALSO SENT TO LORD CARRINGTON). IN BRIEF AFTER TRACING THE HISTORY LEADING UP TO THE PRESIDENT'S DECISION LAST SUMMER. NITZE SAID THAT THE US FACED A SIMILAR DECISION POINT WITH THE BEGINNING OF SEA TRIALS FOR THE EIGHTH TRIDENT SUBMARINE IN MAY. THE SITUATION ON RECIPROCAL SOVIET RESTRAINT WAS NOT PROMISING, ALTHOUGH THERE HAD BEEN SOME IMPROVEMENT IN COMPLIANCE, FOR EXAMPLE ON THE BACKFIRE PRODUCTION RATE. THE US HAD LITTLE ENOUGH FLEXIBILITY TO ADJUST ITS FORWARD DEFENCE PROGRAMME, AND THIS WAS MADE WORSE BY FINANCIAL DIFFICULTIES. IN ASSESSING OPTIONS FOR APPROPRIATE RESPONSES TO SOVIET ACTION THE US WOULD HAVE TO MAKE THE BEST USE OF RESOURCES.

3. RETIREMENT OF TWO FURTHER POSEIDON BOATS HAD BEEN PLANNED AND WAS THE SENSIBLE COURSE FOR THE IMMEDIATE FUTURE. FOR THE LONGER TERM THE ADMINISTRATION WOULD RENEW ITS EFFORT TO SEEK BI-PARTISAN SUPPORT IN CONGRESS FOR THE ICEM PROGRAMME. THE DOD HAD BEEN INSTRUCTED TO PREPARE AN ASSESSMENT OF OPTIONS BY NOVEMBER 1986 TO INCLUDE BASING OPTIONS FOR THE NEXT FIFTY MX MISSILES, DEVELOPMENT PROGRAMMES FOR A SMALL MOBILE ICEN OR A SLIGHTLY LARGER ONE EQUIVALENT TO OR DERIVED FROM THE MINUTEMAN III (A MINUTEMAN-LIKE MISSILE) AND AN ADVANCED ALCM. THE US FACED ANOTHER DECISION POINT IN NOVEMBER THIS YEAR WHEN THE 131ST ALCH ARMED HEAVY BOMDER BECAME AVAILABLE. THAT WOULD TAKE THE US UP TO THE SALT II CEILING (1320) BUT THERE WERE NO OBVIOUS OPTIONS FOR COMPENSATING REDUCTIONS. THE END OF THE QUOTE EXTRA MILE UNQUOTE WAS COMING INTO VIEW: THE RUSSIANS HAD TO BE FACED WITH THIS REALITY.

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- 5. IN THE DISCUSSION WHICH FOLLOWED THERE WAS STRONG SUPPORT FOR THE DISMANTLING OF TWO FURTHER POSEIDON BOATS, AND STRONG MISGIVING ABOUT A CONDITIONAL DECISION TO BREAK OUT OF SALT II LIMITS, ACCOMPANIED NONETHELESS BY RECOGNITION OF THE POOR SOVIET RECORD OF COMPLIANCE. FULCI (ITALY) SAID THAT THE DECISION TO DISMANTLE TWO BOATS PROVIDED A STRONG COUNTER TO SOVIET PROPAGANDA AND IMPROVED THE CUTLOOK FOR THE SUMMIT AND THE GENEVA TALKS. FOR THE FUTURE, WITHOUT SOVIET RECIPROCITY AND IF THE GENEVA PROCESS CONTINUED TO STAGNATE IT WOULD BECOME NECESSARY TO CONSIDER OTHER OPTIONS, BUT WITHOUT UNDERMINING THE BASIC PHILOSOPHY OF THE SALT PROCESS. BERG (NORWAY) SAID THAT HIS GOVERNMENT WOULD REPLY BY LETTER. HE HOPED HOWEVER THAT THERE WOULD BE FURTHER CONSULTATION BEFORE THE US TOOK DECISIONS TOWARDS THE END OF THE YEAR, (A POINT TAKEN UP BY SEVERAL OTHERS). HE ALSO SOUGHT NITZE'S VIEW ON THE EFFECTS OF THE UNRAVELLING OF THE CURRENT NUCLEAR ARMS CONTROL REGIME. IN REPLY TO THIS NITZE SAID THAT THE PRIMARY LIMITATIONS WERE RUMEDRICAL AND THAT THE SOVIET UNION HAD DISMANTLED SYSTEMS IN ORDER TO STAY BROADLY WITHIN THEM. HOWEVER SINCE DISMANTLED SYSTEMS WERE ALMOST ALWAYS OBSOLETE, IT WAS QUESTIONABLE WHETHER THE SALT LIMITS HAD HAD A GENUINELY SIGNIFICANT EFFECT ON GROWTH OF STRATEGIC FORCES.
- 6. SMITH (CANADA) WELCOMED THE DECISION ON POSEIDON BOATS BUT ADDED THAT IT WOULD BE UNWISE FOR THE US TO MAKE AN EXPLICIT STEMENT OF INTENT NOT TO ABIDE BY SALT LIMITS LATER IN THE YEAR. CASSIERS (BELGIUM) ADDED THAT THE MILITARY EFFECTS OF BREAKING OUT OF THE SALT LIMITS COULD BE DISADVANTAGEOUS IF A SOVIET BUILD UP IN RESPONSE TURNED OUT TO BE MORE RAPID.
- 7. DRAWING ON YOUR TELEGRAM UNDER REFERENCE, I WELCOMED THE PAST AND IMMINENT US DECISIONS ON POSEIDON SUBMARINES AND SAID THAT IT WOULD BE UNWISE OF THE US TO THROW AWAY THE ADVANTAGES GAINED THEREBY AND IN THE SUMMIT MEETING, IN TERMS OF THE PERCEPTION OF THE US'S TRUE COMMITMENT TO PEACE. IT WOULD BE MOST UNWISE FOR THE US TO LIMIT THEIR FREEDOM OF ACTION BY MAKING A COMMITMENT THEMSELVES TO EXCEED THE SALT II LINITS CONDITIONAL ON RUSSIAN ACTION BY A SPECIFIC DEADLINE WHICH THEY WERE UNLIKELY TO TAKE. SUCH ACTION, BY THE US OWN ADMISSION, WOULD BE OUTSIDE THE SALT II LIMITS WHILE THERE WAS SCOPE FOR DISCUSSION ABOUT WHETHER SOME INSTANCES OF SOVIET NON-COMPLIANCE WERE BEST CHARACTERISED AS EVASION RATHER THAN DIRECT VIOLATION. SUCH ACTION BY THE US, ESPECIALLY PRIOR TO THE SUMMIT, WOULD SEND THE WRONG SIGNAL AND SERIOUSLY DAMAGE PUBLIC SUPPORT FOR DEFENCE AND ARMS CONTROL POLICY. NONETHELESS THE RUSSIAN RECORD GAVE CAUSE FOR SERIOUS CONCERN. WE MUST CONTINUE TO PRESS THEM AND PLACE UPON THEM THE RESPONSIBILITY FOR ENDANGERING THE CURRENT ARMS CONTROL PROCESS.
- S. LOHSE (GERMANY) PRESSED THE US NOT TO UNDERCUT THE SALT LINITS FOR SIMILAR REASONS. GODECHOT (FRANCE) ASKED HOW THE US COULD RECONCILE A POLICY OF UNDERCUTTING THE LIMITS WITH ITS EXPRESSED HOPES FOR THE SUMMIT AND FOR THE GENEVA NEGOTIATIONS (A QUESTION NITZE HAD LITTLE DIFFICULTY IN ANSWERING).

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9. THE SECRETARY GENERAL CONCLUDED BY THANKING NITZE AND LEHMAN: CONSIDERATION SHOULD BE GIVEN TO FURTHER CONSULTATIONS AFTER THE SUMMER.

GRAHAM

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