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*Prime Minister*  
*A very important*  
*element*  
*CJP*  
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FM WASHINGTON

TO DESKBY 260900Z FC0

TELNO 654

OF 260041Z MARCH 87

INFO IMMEDIATE MOSCOW

INFO PRIORITY BONN, PARIS, UKDEL NATO, UKDIS GENEVA

INFO PRIORITY UKDEL MBFR VIENNA, UKDEL CSCE VIENNA, MODUK

MODUK FOR DACU

MIPT (NOT TO ALL): PRIME MINISTER'S VISIT TO MOSCOW: ARMS CONTROL SUMMARY

1. ARMS CONTROL STOCK ON THE RISE AGAIN IN WASHINGTON. CAMP DAVID AGENDA NOW FIRMLY ESTABLISHED (WITH SOME DOUBTS ON CW). AN INF AGREEMENT SEEN AS THE BEST PROSPECT, WITH SRINF AND VERIFICATION THE MAIN OUTSTANDING ISSUES. ALSO HOPES FOR PROGRESS ON NUCLEAR TESTING. IMPORTANCE OF CONVENTIONAL ARMS CONTROL RECOGNISED BUT UNCERTAINTY ABOUT HOW TO PROCEED. A START/DEFENCE AND SPACE AGREEMENT STILL SEEN AS THE BIG PRIZE AND NOW CONSIDERED BY MANY AS A SLIGHTLY BETTER THAN 50/50 PROSPECT.

DETAIL

2. ALTHOUGH THE CUSTOMARY INTER-AGENCY WARFARE ON THE DETAILS OF US ARMS CONTROL POSITIONS CONTINUES, THE GENERAL SENSE HERE IS THAT THE TIDE IS NOW FLOWING IN FAVOUR OF THE ACHIEVEMENT OF ONE OR MORE SIGNIFICANT ARMS CONTROL AGREEMENTS DURING THE PRESIDENT'S TERM.

A NUMBER OF FACTORS ARE AT WORK: THE PRO-ARMS CONTROL BIAS OF THE NEW DEMOCRAT-CONTROLLED CONGRESS; THE VIEWS OF THE ALLIES; AND THE CLEAR INCENTIVE FOR THE PRESIDENT AND HIS NEW TEAM (SEE MIPT) TO OBTAIN AN ARMS CONTROL SUCCESS TO HELP LAY THE IRAN/CONTRAS AFFAIR TO REST. AS A RESULT, THE ADMINISTRATION HAVE BEEN BROUGHT DOWN TO EARTH AFTER THE GIDDINESS OF REYKJAVIK, AND THE CAMP DAVID ARMS CONTROL AGENDA NOW SEEMS FIRMLY ESTABLISHED, WITH HELP FROM THE JCS STUDY ON THE ELIMINATION OF BALLISTIC MISSILES (WHICH CONCLUDED THAT SUCH A PROSPECT WAS NOT FEASIBLE WITHOUT MASSIVE AND UNREALISTIC NEW LEVELS OF DEFENCE EXPENDITURE - MY TELNO 579).

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3. THERE IS STILL TIME FOR THE PRESIDENT TO SECURE AN ARMS CONTROL ACHIEVEMENT. THE GENERAL VIEW IS THAT AGREEMENTS MUST BE FORWARDED TO THE SENATE FOR ADVICE AND CONSENT BY EARLY NEXT YEAR, BEFORE THE 1988 PRESIDENTIAL ELECTION CAMPAIGN GETS INTO FULL SWING. THE NEGOTIATING WINDOW IS THEREFORE THOUGHT TO BE CALENDAR YEAR 1987 ALTHOUGH SOME OBSERVERS BELIEVE THAT THE PRESIDENT MAY HAVE MORE TIME GIVEN THAT THE DEMOCRATICALLY CONTROLLED SENATE WILL ALMOST CERTAINLY WELCOME ANY AGREEMENT(S) THAT THE PRESIDENT DECIDES HE CAN ACCEPT.

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4. FOLLOWING GORBACHEV'S ANNOUNCEMENT ON 28 FEBRUARY OF SOVIET WILLINGNESS TO DELINK INF FROM THE OTHER GENEVA NEGOTIATIONS, MOST ATTENTION IS CURRENTLY FOCUSSED ON PROSPECTS FOR AN INF AGREEMENT. THE INF WORKING GROUP IN GENEVA, WHICH HAS REMAINED IN SESSION FOLLOWING THE END OF THE MAIN GENEVA NEGOTIATING ROUND ON 4 MARCH, WILL BREAK ON 26 MARCH AND PROBABLY RESUME WITH THE START AND DEFENCE AND SPACE WORKING GROUPS ON 23 APRIL. THE ADMINISTRATION THEN HOPE TO NEGOTIATE MORE OR LESS CONTINUOUSLY UNTIL A TREATY HAS BEEN AGREED. THE SOVIET REACTION IN GENEVA TO THE NEW US DRAFT TREATY TABLED ON 3 MARCH (WITH VERIFICATION PROVISIONS TABLED ON 12 MARCH) HAS BEEN CAUTIOUS BUT BY NO MEANS DISMISSIVE, AND THE RUSSIANS ARE THEMSELVES NOW TABLING DRAFT TREATY ELEMENTS THOUGH NOT SO FAR A COMPLETE TEXT. THE MAIN OUTSTANDING ISSUES ARE CONSIDERED TO BE CONSTRAINTS ON SRINF AND VERIFICATION.

5. ON SRINF, THE ADMINISTRATION WISH TO HOLD TO THE EXISTING NATO POSITION IE THAT THERE MUST BE EQUAL CEILINGS ON SRINF MISSILES AS AN INTEGRAL PART OF AN INITIAL INF AGREEMENT. THEY ARE ALSO READY TO INSIST, IF NECESSARY, ON EARLY FOLLOW-ON NEGOTIATIONS ON SRINF REDUCTIONS. THEY ARE CONCERNED THAT GORBACHEV'S STATEMENT OF 28 FEBRUARY CONTAINED A STEP BACKWARDS ON SRINF: THE RUSSIANS SEEM NOW ONLY TO BE OFFERING TO WITHDRAW SRINF DEPLOYED FORWARD IN EASTERN EUROPE AND TO ENGAGE IN IMMEDIATE FOLLOW-ON SRINF NEGOTIATIONS. SOVIET ACCEPTANCE AT REYKJAVIK OF SRINF CEILINGS AS PART OF AN INITIAL INF AGREEMENT MAY THEREFORE NOT CURRENTLY BE ON THE TABLE.

ON US HANDLING OF THE SRINF ISSUE, THE ADMINISTRATION SEE THE CHOICE AS BEING BETWEEN RETAINING THE US RIGHT TO MATCH SOME SOVIET LEVEL OF SS12/22 AND SS23 (AND THEREFORE PRESERVING THE RIGHT TO CONVERT PERSHING IIS TO PERSHING IBS - A POSITION NOW UNDER STRONG SOVIET ATTACK): AND MOVING TO ZERO SRINF ON BOTH SIDES AND THEREFORE FORFEITING THE PII CONVERSION RIGHT. THE ADMINISTRATION ARE ANXIOUS TO HEAR FROM THE EUROPEAN ALLIES WHICH APPROACH THEY PREFER AND HOPE TO OBTAIN AT LEAST SOME INITIAL VIEWS AT THE SCG MEETING ON 27 MARCH. MANY ADMINISTRATION OFFICIALS SEEM INCLINED TO THE VIEW THAT ZERO SRINF IN EUROPE (COUPLED WITH AN ACCEPTABLE GLOBAL CONSTRAINT ON SOVIET SRINF) MAY BE THE BEST OUTCOME IF THE RUSSIANS SHOW THEMSELVES READY TO GO DOWN THIS ROAD (HINTS BY KARPOV IN GENEVA ON 3 MARCH THAT THEY WERE HAVE NOT (NOT) SINCE BEEN REPEATED BY SOVIET NEGOTIATORS). WHETHER A MINIMUM RANGE WOULD HAVE TO BE IDENTIFIED IN THIS CONTEXT, AND IF SO WHAT IT SHOULD BE, IS SOMETHING ON WHICH OFFICIALS HAVE NO FIRM VIEWS. BUT ALL SEEM CLEAR THAT ARRANGEMENTS WOULD HAVE TO BE SUCH AS TO EXCLUDE THE SCUD AND LEAVE LANCE FOLLOW-ON OPTIONS UNCONSTRAINED.

6. ON INF VERIFICATION, SOVIET NEGOTIATORS IN GENEVA HAVE CONTINUED TO THREATEN PROPOSALS EVEN MORE STRINGENT AND INTRUSIVE THAN US PROPOSALS. BUT MOST ADMINISTRATION OFFICIALS BELIEVE THAT EFFECTIVE INF VERIFICATION PROVISIONS WILL IN FACT PROVE NEGOTIABLE AND MANY HOPE THAT THE RUSSIANS MAY SIMPLIFY MATTERS BY AGREEING TO REDUCE LRINF TO ZERO GLOBALLY (IE TO ELIMINATE

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/ALSO



ALSO THE REMAINING 100 WARHEADS ON EACH SIDE), WHICH WOULD PROBABLY REMOVE THE NEED FOR SOME OF THE MORE INTRUSIVE VERIFICATION ARRANGEMENTS NOW PROPOSED, NOTABLY FOR PORTAL AND PERIMETER MONITORING OF MISSILE PRODUCTION FACILITIES.

#### NUCLEAR TESTING

7. THE SECOND MOST PROMISING AREA FOR EARLY PROGRESS MAY BE NUCLEAR TESTING. MANY OFFICIALS BELIEVE THAT AGREEMENT WAS ALMOST REACHED AT REYKJAVIK ON A SEQUENTIAL APPROACH INVOLVING, FIRST, THE NEGOTIATION OF EFFECTIVE VERIFICATION PROVISIONS FOR THE UNRATIFIED THRESHOLD TEST BAN TREATY (TTBT) AND PEACEFUL NUCLEAR EXPLOSIONS TREATY (PNET) AND, SECOND, NEGOTIATIONS ON STEP-BY-STEP CONSTRAINTS ON NUCLEAR TESTING (IE QUOTAS AND/OR THRESHOLDS) IN PARALLEL WITH REDUCTIONS IN STOCKPILES. SINCE REYKJAVIK, THE RUSSIANS HAVE INSISTED THAT BOTH ITEMS CAN ONLY BE ADDRESSED IN PARALLEL WITH NEGOTIATIONS ON A CTB. AT THE MOST RECENT ROUND OF US/SOVIET NUCLEAR TESTING DISCUSSIONS IN GENEVA (ON 16-20 MARCH), THERE WERE SOME SLIGHT SIGNS OF POSSIBLE SOVIET WILLINGNESS TO ACCEPT A MORE SEQUENTIAL APPROACH AND SHULTZ WILL BE TRYING TO BUILD ON THIS DURING HIS VISIT TO MOSCOW ON 13-15 APRIL. HE WILL CONTINUE TO INSIST ON A SEQUENTIAL APPROACH IN PRACTICE BUT MAY BE PREPARED TO DESCRIBE THE FIRST TWO STEPS AS PART OF AN OVERALL NEGOTIATING PROCESS WITH A CESSATION OF TESTS AS THE LONG-TERM AIM. IF THE CIRCLE CAN IN FACT BE SQUARED IN THIS WAY,

THE PROSPECTS FOR AGREEMENT ON VERIFICATION PROVISIONS FOR THE UNRATIFIED TREATIES (AND PERHAPS ON SOME FURTHER STEP-BY-STEP CONSTRAINTS) DURING THE PRESIDENT'S TERM MAY BE QUITE GOOD.

#### CW AND CONVENTIONAL ARMS CONTROL

8. THE GENERAL POINT THAT PROGRESS IN NUCLEAR ARMS CONTROL INCREASES THE NEED FOR CORRECTING INBALANCES IN CONVENTIONAL AND CHEMICAL ARMS CONTROL IS ACCEPTED HERE.

BUT THE PENTAGON REMAIN FIRMLY

OPPOSED TO A CW BAN ON THE GROUNDS THAT IT CANNOT BE ADEQUATELY VERIFIED. SINCE THE LOGIC OF THIS POSITION WOULD REQUIRE US WITHDRAWAL FROM EFFORTS TO NEGOTIATE A CW CONVENTION, IT SEEMS UNLIKELY THAT THE PENTAGON POSITION WILL PREVAIL. BUT THE ADMINISTRATION WILL WISH TO TAKE THE CW NEGOTIATIONS AT A STEADY PACE IN GENEVA AND AVOID CREATING EXPECTATIONS THAT A CONVENTION CAN BE CONCLUDED IN 1987, OR GIVING UNDUE PROMINENCE TO THE DIFFICULT ISSUE OF CHALLENGE INSPECTION. ON CONVENTIONAL ARMS CONTROL, NO FULLY WORKED UP IDEAS HAVE YET EMERGED FOR WESTERN PROPOSALS TO BE MADE IN THE NEW NEGOTIATING FORUM. BUT THE ADMINISTRATION'S WATCHWORDS ARE STABILITY AND BALANCE, AND A GOOD DEAL OF EFFORT IS NOW BEING PUT INTO TRYING TO IDENTIFY ROBUST AND VERIFIABLE WESTERN PROPOSALS WHICH WOULD CUT INTO SOVIET COMBAT CAPABILITY ON THE CENTRAL FRONT.

START/SDI



9. A START/DEFENCE AND-SPACE AGREEMENT IS OF COURSE REGARDED AS THE BIG ONE HERE. THE MORE VISIONARY ASPECTS OF REYKJAVIK, NOTABLY THE US PROPOSAL FOR THE ELIMINATION OF OFFENSIVE BALLISTIC MISSILES, HAVE NOW EFFECTIVELY BEEN SET ASIDE BY ALL PARTS OF THE ADMINISTRATION (ALTHOUGH THE PROPOSAL STILL LIES ON THE TABLE IN GENEVA) AND IT IS ACCEPTED THAT THE PROPER OBJECTIVE IS NOW AGREEMENT ON 50 PER CENT REDUCTIONS IN STRATEGIC SYSTEMS. SINCE THE RUSSIANS CONTINUED TO LINK ANY SUCH AGREEMENT TIGHTLY TO AN AGREEMENT ON THEIR TERMS ON STRATEGIC DEFENCES, NO MAJOR PROGRESS WAS MADE IN START DURING THE MOST RECENT GENEVA ROUND.

SOME ADMINISTRATION OFFICIALS

BELIEVE, HOWEVER, THAT AGREEMENT COULD BE REACHED RELATIVELY EASILY IF THE RUSSIANS WOULD (A) ACCEPT SUB-LIMITS CONSTRAINING THEIR FIRST STRIKE CAPABILITY AND ESPECIALLY THEIR HEAVY ICBM FORCE: AND (B) ACCEPT THAT SDI CANNOT BE STOPPED (THE SLCM PROBLEM ALSO REMAINS A FORMIDABLE ONE). SINCE THE RUSSIANS HAVE IN THE PAST COME CLOSE TO ACCEPTING THE NECESSARY SUB LIMITS IN START (MY TELNO 51 ), ADMINISTRATION OFFICIALS BELIEVE THAT THEY WOULD ALMOST CERTAINLY DO SO IF SATISFIED ON SDI. THE KEY QUESTION THEREFORE REMAINS THE SAME AS IT ALWAYS HAS BEEN: ARE THERE CONSTRAINTS ON SDI WHICH BOTH THE PRESIDENT AND THE RUSSIANS ARE PREPARED TO ACCEPT?

10. SENATOR NUNN'S INTERVENTION ON THE ABM TREATY INTERPRETATION ISSUE (MY TELNOS 548 AND 589) IS UNLIKELY TO CAUSE THE ADMINISTRATION TO ABANDON ITS POSITION THAT THE BROAD INTERPRETATION IS LEGALLY FULLY JUSTIFIED. BUT NUNN'S INTERVENTION SEEEMS LIKELY SIGNIFICANTLY TO HAVE DIMINISHED ANY PROSPECT THAT CONGRESS

WILL BE WILLING IN THE NEAR FUTURE TO FUND SDI DEVELOPMENT AND TESTING ACTIVITIES PERMITTED ONLY UNDER THE BROAD (NOT THE NARROW) INTERPRETATION. THE NARROW INTERPRETATION OF THE ABM TREATY MAY THEREFORE NOW BE FALLING INTO PLACE AS A DE FACTO CONSTRAINT ON SDI, PERHAPS FOR THE REST OF PRESIDENT'S TERM, OR UNTIL ANY NEW ARRANGEMENTS ARE AGREED WITH THE RUSSIANS.

11. A NEW DEVELOPMENT IS THAT THE STATE DEPARTMENT ARE NOW ARGUING FOR A LETTER FROM THE PRESIDENT TO GORBACHEV PROPOSING AN AGREEMENT ON 50 PER CENT START REDUCTIONS (THERE WOULD BE NO MENTION OF RUTHER CUTS IN OFFENSIVE FORCES) COUPLED WITH A COMMITMENT NOT TO DEPLOY SDI FOR 10 YEARS. THE LETTER WOULD ALSO PROPOSE THAT THE ISSUES OF PERMITTED SDI-TYPE ACTIVITY AND ABM TREATY INTERPRETATION BE ADDRESSED AT THE ABM TREATY REVIEW CONFERENCE, WHICH MUST BE HELD IN THE PERIOD OCTOBER 1987 - OCTOBER 1988. SUCH AN OFFER WOULD THEREFORE INCORPORATE US WILLINGNESS TO TRY TO AGREE WITH THE RUSSIANS CLEAR CONSTRAINTS ON SDI-TYPE ACTIVITY UNDER THE ABM TREATY, BUT SUGGEST THAT THE

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MATTER BE HANDLED SEPARATELY FROM (AND PROBABLY LATER THAN) NEGOTIATION OF A 50 PER CENT START REDUCTIONS/10 YEAR SDI NON-DEPLOYMENT AGREEMENT. THE PENTAGON ARE DOUBTFUL ABOUT THIS PROPOSITION ON THE FAMILIAR GROUNDS THAT NO ATTEMPT SHOULD BE MADE TO AGREE SDI CONSTRAINTS WITH THE RUSSIANS, EITHER IN GENEVA OR AT THE ABM TREATY REVIEW CONFERENCE. AND DECOUPLING NEGOTIATIONS ON SDI CONSTRAINTS (OTHER THAN ON DEPLOYMENT) MAY PROVE UNSATISFACTORY TO THE RUSSIANS EVEN GIVEN THE POSSIBILITY THAT THE NARROW INTERPRETATION OF THE ABMT MAY NOW STANDS AS A DE FACTO CONSTRAINT. BUT THE FACT THAT SUCH AN APPROACH IS BEING SERIOUSLY CONSIDERED HERE MAY REFLECT A NEW ADMINISTRATION READINESS TO ACCEPT THAT SOME CONSTRAINTS ON SDI, AND THE PREDICTABILITY THAT WOULD FLOW FROM THEM, WILL NEED TO BE CONCEDED IN THE CONTEXT OF ACHIEVING A START AGREEMENT.

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SOVIET D.  
DEFENCE D.  
RESEARCH DEPT.  
PLANNING STAFF  
EED  
NAD  
SAD  
WED  
ACDD  
CRD  
NEWS DEPT.  
INFO DEPT.  
ECD(E)  
POD  
FED  
NED  
PUSD  
CSCE UNIT  
PROTOCOL DEPT.  
ESSD

PS  
PS/LADY YOUNG  
PS/MR RENTON  
PS/MR EGGAR  
PS/PUS  
MR DEREK THOMAS  
CHIEF CLERK  
MR BOYD  
MR MUNRO  
MR GILLMORE  
MR RATFORD  
MR FALL  
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MOSCOW TELNO 467: PRIME MINISTER'S VISIT TO MOSCOW: ARMS CONTROL:  
SRINF

1. THE ADMINISTRATION HAVE NEVER BEEN ABLE TO SECURE SOVIET AGREEMENT THAT CEILINGS ON SRINF SHOULD BE EQUAL. THERE WAS AMBIGUITY ON THIS POINT AT REKJAVIK, AND SOVIET NEGOTIATORS IN GENEVA INSISTED BETWEEN REYKJAVIK AND 28 FEBRUARY THAT SRINF SHOULD BE FROZEN AT BOTH SIDE'S CURRENT LEVELS IE THAT CEILINGS SHOULD BE UNEQUAL. NOR HAVE THE RUSSIANS EVER AGREED THAT SRINF CEILINGS SHOULD BE GLOBAL. THIS ISSUE WAS NOT ADDRESSED AT REYKJAVIK AND THE SOVIET POSITION IN GENEVA UNTIL 28 FEBRUARY WAS THAT SRINF CONSTRAINTS SHOULD APPLY TO EUROPE ONLY.
2. THE PRESIDENT DID HOWEVER SECURE SOVIET AGREEMENT AT REYKJAVIK TO THE PRINCIPLE THAT CEILINGS (OF SOME SORT) ON SRINF MUST BE INCLUDED IN AN INITIAL INF AGREEMENT. THIS IS THE KEY POINT ON SRINF WHICH SOVIET NEGOTIATORS IN GENEVA HAVE DISOWNED SINCE GORBACHEV'S STATEMENT ON 28 FEBRUARY: THE SOVIET SRINF POSITION SINCE 28 FEBRUARY HAS BEEN MERELY THAT SOVIET SRINF DEPLOYED FORWARD IN EASTERN EUROPE WOULD BE WITHDRAWN - NOT DESTROYED - AND THAT THERE SHOULD BE IMMEDIATE FOLLOW-ON NEGOTIATIONS ON SRINF.
3. IF THE PRIME MINISTER WERE ABLE, DURING HER VISIT TO MOSCOW, TO WIN RENEWED SOVIET ACCEPTANCE OF THE PRINCIPLE THAT SRINF CEILINGS MUST BE INCLUDED IN AN INITIAL INF AGREEMENT, THE ADMINISTRATION WOULD CERTAINLY VERY MUCH WELCOME IT. IF THE PRIME MINISTER COULD ALSO SECURE SOVIET ACCEPTANCE OF EQUALITY AND GLOBALITY (A FAR TOUGHER OBJECTIVE), THIS WOULD OF COURSE BE DOUBLY WELCOME HERE.

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4. THE PRECISE PRESENT US POSITION, SET OUT IN THEIR NEW DRAFT INF TREATY, IS THAT EQUAL AND GLOBAL SRINF CEILINGS SHOULD BE SET AS PART OF AN INITIAL INF AGREEMENT AT PRESENT SOVIET LEVELS OF SS12/22 AND SS23. THE ADMINISTRATION ARE ALSO INSISTING ON EARLY FOLLOW-ON SRINF NEGOTIATIONS.

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NAD  
SAD  
WED  
ACDD  
CRD  
NEWS DEPT.  
INFO DEPT.  
ECD(E)  
POD  
FED  
NED  
PUSD  
CSCE UNIT  
PROTOCOL DEPT.  
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PS  
PS/LADY YOUNG  
PS/MR RENTON  
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PS/PUS  
MR DEREK THOMAS  
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