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TELEGRAM NUMBER 3626 OF 5 DECEMBER

INFO PRIORITY MODUK (FOR DUS P) ROUTINE MOSCOW, UKDEL NATO,
BONN, PARILS

INFO SAVING TOKYO, US CONSULATES GENERAL

MIPT (NOT TO ALL) AND MY TELNO 3485: SHULTZ AT CHEVENING: EAST-WEST RELATIONS AND ARMS CONTROL

#### SUMMARY

AS 2004

1. SCME OPTIMISM, FOLLOWING AGREEMENT ON THE SHULTZ/GROMYKO
MEETING ON 7/8 JANUARY. INTER-AGENCY PREPARATORY WORK PROCEEDING,
BUT DECISIONS UNLIKELY FOR SOME WEEKS YET. ADMINISTRATION WELL
SENZED OF ALLIES! NEED TO BE KEPT INFORMED.

#### DETAIL

- 2. THERE AS A MOOD OF GUARDED OPTIMALSM HERE ABOUT THE PROSPECTS
  FOR AN IMPROVEMENT AN EAST/WEST RELATIONS. THE GENEVA TALKS ARE
  SEEN AS CRUCHAL: BUT THE US AIM INS SIMPLY TO START A PROCESS
  WHICH COULD LEAD BOTH TO ARMS CONTROL AGREEMENTS, AND TO AN
  IMPROVED SUPERPOWER RELATIONSHIP ACROSS THE BOARD. WE SHOULD NOT
  EXPECT ANSTANT AGREEMENTS, EXCEPT PERHAPS ON PROCEDURE.
- 3. INTER-AGENCY PREPARATION IS NOW IN FULL SWING, AT AN UNUSUALLY SENIOR LEVEL, AND UNDER UNUSUALLY FIRM INJUNCTIONS AGAINST LEAKS. SHULTZ IS CLEARLY IN THE DRIVING-SEAT, BUT MACFARLANE HAS EMERGED AS THE PUBLIC SPOKESMAN. NITZE IIS NOW ESTABLISHED AS SHULTZ'S SPECHAL ARMS CONTROL ADVISER, AND IS ATTENDING ALL RELEVANT HIGH LEVEL MEETINGS. WHETHER HIS ROLE WILL DEVELOP INTO THAT OF AN "ENVOY" WILL DEPEND ON HOW GROMYKO REACTS IN GENEVA.
- 4. THE MAIN POINTS NOW UNDER DISCUSSION APPEAR TO BE:
  (A) HOW EXTENSIVE SHOULD BE THE COVERAGE OF THE UMBRELLA. MOST ADMINISTRATION OFFICIALS NOW SEEM DETERMINED THAT IT SHOULD FOR THE PRESENT COVER ONLY OUTER SPACE AND OFFENSIVE NUCLEAR SYSTEMS, WHICH ARE WIEWED AS THE ESSENTINAL INSUES (THEY ARE ALSO OF COURSE PRIMARILY BILATERAL US/SOVIET RESUES). THIS INMITTIAL LIMITATION OF THE DIALOGUE APPEARS ALSO TO REFLECT SOVIET PREFERENCES.

  EXTENDING THE COVERAGE TO OTHER AREAS, EG CW, MBFR, AND CDE IS GENERALLY CONSIDERED TO BE SOMETHING WHICH MIGHT EMERGE LATER, BUT SHOULD NOT BE ATTEMPTED AT ONCE:
- (B) WHAT ASAT CONSTRAINT REGIME (HE ANY) SHOULD THE ADMINISTRATION
  BE PREPARED TO ACCEPT. THERE HS STULL FORM AGREEMENT THAT THE
  ADMINISTRATION SHOULD NOT ACCEPT A MORATORIUM ON ASAT TESTS BEFORE
  NEGOTIATIONS GET UNDER WAY. BUT MANY HIM STATE BELIEVE THAT THE
  PRESIDENT'S DECLARED WILLINGNESS TO CONSIDER, AT THE NEGOTIATING
  TABLE, 'MEASURES OF MUTUAL RESTRAINT' OUGHT TO BE REFLECTED BY
  INTER-AGENCY AGREEMENT NOW THAT A TIME-LIMITED MUTUAL MORATORIUM

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SHOULD

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SHOULD BE OFFERED EARLY ON. DOD DISSENT, AND THE ISSUE DOES NOT APPEAR TO HAVE YET BEEN FOUGHT TO A FINISH. NOP HAS THE QUESTION OF THE ASAT COMPONENT OF A POSSIBLE OVERALL AGREEMENT. BUT THE IDEA OF GOING FOR A 'RULES OF THE ROAD' AGREEMENT APPEARS TO BE LOSING FAVOUR, EXCEPT IN DOD, AS DOES THE IDEA OF A TIME-LIMITED BAN ON ONLY HIGH LEVEL ASAT TESTING. THAT LEAVES A TIME-LIMITED BAN ON ALL ASAT SYSTEMS (HIGH LEVEL AND LOW LEVEL) AS THE STATE DEPARTMENT FRONT RUNNER:

NUCLEAR SYSTEMS. THE PENTAGON APPEAR STILL TO FAVOUR STICKING
WITH THE PRESENT START AND JIMF POSITIONS: WHILE THE STATE
DEPARTMENT STILL FAVOUR THEIR 'FRAMEWORK AGGREGATES' APPROACH,
WHICH WOULD INVOLVE MARRYING LIMITS ON LAUNCHERS WITH LIMITS ON
WEAPONS. WE HAVE DETECTED NO SIGNS THAT THE DISCUSSION OF PRECISE
NUMBERS (FOR LIMITS ON THE VARIOUS LAUNCHER AND WARHEAD CATEGORIES)
HAS STARTED IN EARNEST, PRESUMABLY BECAUSE OF PENTAGON OPPOSITION:
AND OUR SOURCES STRESS THAT INT IS NOT CERTAIN THAT SUCH A
DISCUSSION WILL BE DRIVEN TO A CONCLUSION BEFORE
THE GENEVA TALKS. THAT IS SEEN AS UP TO THE PRESIDENT: AND HE HAS
NOT YET RULED:

(D) WHETHER TO MERGE THE START AND INF NEGOTIATIONS. IN RECENT MONTHS THERE SEEMS TO HAVE BEEN SOME MOVEMENT IN OFFICIAL OPINION IN FAVOUR OF A MERGER IN PROCEDURAL TERMS IN THE US MIGHT BE READY TO DISCUSS BOTH STRATEGIC AND INF SYSTEMS AT THE SAME NEGOTI-ATING TABLE. ONE ADVANTAGE, MUCH QUOTED TO US, IS THAT WITH A BUGGER BASKET INT OUGHT TO BE THEORETICALLY EASIER TO PRESENT AN AGREEMENT, WITH NO EXPLICANT PROVISIONS FOR EUROPEAN SYSTEMS, AS CONSISTENT WINTH THE AUM OF "EQUAL HTY". HOWEVER, THERE ILS NO CONSENSUS YET ON WHETHER START AND JUNE NEGOTIFATIONS SHOULD BE SUBSTANTINELY MERGED AND A SYSTEM OF COMMON CEILINGS PROPOSED: (E) THE OPTHMUM BLUEPRHAT FOR POST-GENEVA NEGOTHATHONS. THE ADMINISTRATION CLEARLY HOPE THAT THE RUSSHANS WILL BE READY TO MOVE ON QUICKLY FROM "TALKS ABOUT TALKS" H.E. OBJECTIVES AND PROCEDURES, BUT HIT AS NOT CLEAR WHETHER THEY WILL PROPOSE THAT THE NEXT STEP SHOULD BE SUBSTANTIVE DISCUSSIONS AT NHTZES! LEVEL. (HARTMAN'S POINT THAT HT MIGHT BE DIFFICULT FOR THE RUSSHANS TO OPERATE AT THAT LEVEL AS WIDELY QUOTED IN STATE, PARTICULARLY BY THOSE WHO RESENT MITTZE'S REAPPEARANCE.1

5. ALL OUR CONTACTS CONFIRM THAT THE DDEA OF A MORATORIUM, IN ADVANCE OF NEGOTIMATIONS (OR RATHER NEGOTIMATED AGREEMENT), ON THE DEPLOYMENT IS NOT BEING CONSIDERED. MACFARLANE'S STATEMENTS ON

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# CONFIDENTIAL 25 NOVEMBER (MY TELNO 3543) REPRESENT AN ALL-AGENCY POSHTION. EQUALLY, ALL OUR CONTACTS CONFIRM THAT NO CONSIDERATION IS YET BEING GIVEN TO ANY OUTCOME ON ASATS (EG A TESTING BAN OF INDEFINITE OR LONG DURATION) WHICH NIGHT IMPINGE ON SDI. SDIE IS NOT AT PRESENT UNDER ATTACK BY ANY AGENCY. 6. HT IS NOT POSSIBLE TO SAY AT THIS STAGE HOW MANY OF THE USSUES LISTED IN PARA 4 WILL IN FACT BE DECIDED BEFORE THE GENEVA MEETING. ARMACOST TOLD ME ON 3 DECEMBER THAT HIT WAS LIKELY THAT NO FINAL DECISIONS WOULD BE TAKEN ON WHAT SHOULD BE SAND TO GROMYKO UNTIL SHORTLY BEFORE SHULTZ'S DEPARTURE, IE IN CALIFORNIA DURING THE PRESIDENT'S POST-CHRISTMAS BREAK (WHEN SHULTZ TOO WILL BE THERE). 7. H (AND MY FRENCH AND GERMAN COLLEAGUES) REMINDED ARMACOST OF THE IMPORTANCE OF KEEPING BOTH THE ALLMANCE AS A WHOLE, AND THE PRINCIPAL ALLIES IN PARTICULAR, IN TOUCH WITH US DEGISION-MAKING. THE STATE DEPARTMENT ARE FULLY SENZED OF THE IMPORTANCE OF BOTH POINTS: AND SHULTZ'S LETTERS TO YOU (AND LORD CARRIENGTON) OF 28 NOVEMBER (YOUR TELMO 2035, AND UKDEL TELMO 403) SEEM TO SHOW THAT THEY ACCEPT THE NEED FOR PROPER ALL-HANCE CONSULTATION. 8. THERE IN KEEN INTEREST HERE IN GORBACHEV'S VISIT. BOTH THE VINCE PRESIMDENT AND ARMACOST HAVE ASKED FOR A FULL BRITEFING SOON AFTER THE EVENT: HIT WOULD BE WELL RECEIVED BY SHULTZ IF YOU WOULD TELL HIM THAT IN SHALL BE AUTHORISED TO PROVIDE THIS. FCO PLEASE PASS SAVING TOKYO WR HGHT FCO (PALACE) REPEATED AS REQUESTED NAO . CONFIDENTIAL