We have submitted assessments of the impact of your decision on SALT II on Soviet policy and world opinion.

There certainly has been the expected uproar among those who were bound to react adversely. It's early to judge how far this is likely to go. We don't see yet that it has put us on the defensive or caused us very much in the propaganda contest. Many, probably most, of those who are decrying your SALT II decision would not be won over to support any position you would take. The Gorbachev counter propaganda does not seem to have cut much ice. Sustaining the clear and factual exploration of our policies can win over those in the middle.

The Soviets have reacted in a predictable way. It may be that their anxiety about the erosion of the SALT framework gives us new leverage on Moscow for some worthwhile dealing.

I don't think we should take transient moods, or Thatcher's or Kohl's unhappiness, or Gorbachev's anger too seriously. We should keep our eyes on the fundamentals.

The basic fact is that Gorbachev has not shifted Soviet foreign policy aims in a direction that would satisfy vital US security interests in arms control or in regional issues or in negotiating posture. Gorbachev does worry about economic, strategic and technological trends moving against him. Thus far neither his economic policies nor his foreign policy and propaganda toward the West have given him any confidence of turning these things around.

This puts the United States in a historically strong position for competitive action and either bargaining or waiting to bargain. We should not fritter away this position or take steps that undercut favorable trends, particularly in SDI.
On strategic arms control (including INF), the US has developed basic criteria that must be protected:

- On the space issue, SDI must have enough running room to remain a politically and technically credible program. I believe that nothing should be done in the way of "reaffirming" the ABM treaty.

- Any reductions of nuclear forces must be militarily significant, stabilizing, equitable in the net, and thoroughly verifiable.

- A third basic arms control criteria for conventional forces needs to be articulated; especially when the Warsaw Pact makes its expected new proposal. Whatever the size, composition, or geographic domain of conventional reductions, they must reduce the offensive dominance of Soviet force posture in Europe. Otherwise, both conventional reductions and large nuclear reductions are dangerous.

Many favor at least talking with the Soviets about the ABM Treaty as a means of satisfying them on SDI while opening the road to deep nuclear cuts, because the Soviets may be willing to negotiate about the duration of a suspension of the withdrawal clause and the definition of acceptable research. We have many times recognized the dangers for SDI in this.

It would appear that this would be a singularly inopportune time to agree to an extension of the ABM Treaty. You have just determined not to be bound by a SALT Treaty which has been violated. The ABM Treaty was agreed to on the explicit premise that tight limitations on offensive
weapons would follow. This has clearly not been accomplished. Indeed, the Soviets almost immediately launched a massive increase in their offensive weapons. They have continued to develop their ABM capabilities to the point where they have put themselves in a position to break out of the Treaty and rather quickly deploy a strategically threatening missile offense in other points of the country. In addition they have violated the ABM Treaty itself. It would be hard to imagine a weaker signal on the heels of your response to violation of the SALT II Treaty than to switch your position at Geneva and negotiate the extension of the ABM Treaty which the Soviets clearly want to impede the development of SDI.

Whatever is going on in the US-Soviet "dialogue", the relationship is one of deep political and strategic conflict. Peace depends not on false signs of amity, but on US ability to compete with and to contain Soviet power ambitions. Little moves that seem to enhance the appearance of amity may have the political benefit of reassuring publics and allies. But they can only be made with a keen appreciation of the price. They may undermine our political ability to compete. They can also undermine any Soviet incentive to make real, rather than cosmetic, concessions on security issues.

In conclusion, I hope that we will consider that the failures of Gorbachev's domestic and foreign policies to really "take off" so far, and the frustration this has produced in Moscow, may give us a tactical advantage right now which we may be able to use to shape the dialogue to our benefit, with allies, publics, and to some extent even with a less-than-decisive Gorbachev regime.