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MEMORANDUM FOR THE RECORD

SUBJECT: Under Secretary of Defense for Policy Meeting with Norwegian Deputy Foreign Minister, Johan Holst (U)

- (U) Mr. Johan Holst, accompanied by the Norwegian Ambassador to the US, the MFA Political Director General, and two counselors from the Embassy met with Dr. Ikle for forty minutes on 13 July. The meeting was at Norwegian request. Also present for the US were MGen Boverie and Mr. Anderson.
- (S) The meeting was part of a major Norwegian attempt to communicate with the US, on disarmament in general and the Nordic Nuclear Weapons Free Zone in particular, and forestall problems here if possible.
- (S) Mr. Holst initiated the discussion by noting that the Yugoslavians had indicated a desire to purchase the Norwegian Penguin II, surface-to-surface, naval missile and that Norway found this an "interesting" request. He asked what our views were on the proposal. Dr. Ikle said that we would study it and respond directly to him.
- (S) He then noted that there were rumors that US funding for prepositioning was in trouble. The Norwegian Government, he said, had invested considerable political capital in this concept and was apprehensive over the rumors. Dr. Ikle observed that every program has funding problems but that he knew of none here. The FY 83 budget, he continued, would be hammered out next month within DoD but the results would not become the President's budget until next January. He promised that Mr. Holst would be informed of changes if any were to occur.
- Gatorizing was brought up, almost in a "let's get this over with" manner. Holst said that he regretted the US decision but understood it, that State had informed him that the turn down was not on security grounds but on grounds of "competitiveness". Dr. Ikle regretted that we could not be more forthcoming at this time.
- (S) Holst then asked about TNF, arms control, how the HLG work related to it, and if the US had changed positions on TNF. Dr. Ikle replied that the US was staying with the two track approach and had not altered its position. The HLG was looking at the threat and functional requirements as a basis for developing an arms control negotiating position, while the SCG was looking at psychological and diplomatic aspects and that sooner or later in the process of review they would have to merge. Mr. Holst noted that the two groups had worked together before.

OSD review completed

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- (S) Mr. Holst mentioned the considerable interest in Norway in arms control and on SALT, wondered how Defense and ACDA worked together, and if there were any new developments. Dr. Ikle briefly discussed the IG/SIG coordination process and said there had been meetings already and that intellectual work was well advanced. He mentioned that new approaches were being considered. These new concepts were aimed at bringing about stability and were especially needed as the current concepts were dated, being fifteen years old. Mr. Holst observed that some movement here would be good public relations in Europe and that simple, straight-forward, understandable motion was needed. This would help hold and consolidate TNF.
- (S) At this point Mr. Holst gave a short, apparently well rehearsed, statement on Norway's current positions starting with the domestic political pressures that had been created by an "overload." This overload, in turn, had been generated by cumulative decisions: the neutron bomb, which had been badly handled; TNF which had been "too loud;" prepositioning, which had also been badly handled; too much pressure on the three percent defense budget growth; and misguided pressure by the US on the Olympics attendance issue. All this had stirred Norwegian political reaction against the image that Norway was NATO's "good, submissive little boy." He suggested that we must be careful if we don't want many things to come unraveled.
- (S) Turning to the Nordic Nuclear Weapons Free Zone, he said that Brezhnev's entry into the picture complicated matters and that the media thought that Brezhnev had offered more than actually was the case. In response to internal pressures, the GON was emphasizing NATO ties and the fact that "we" cannot negotiate alone but "we" can not turn down the proposal entirely. On the other hand he also said that GON has not changed our minds since the Kekkenon proposal was launched and that Norway can only deal with the proposal in the larger European context bearing in mind (1) the heavy concentration of Soviet military forces on the Kola Peninsula which included SALT type forces and (2) Soviet long range missiles east of the Urals. He said that Norway was trying to limit damage in the public opinion sphere, while not unsettling diplomatic relations.
- (S) At this point Dr. Ikle asked if supporters of the NNWFZ included Kola in the zone, to which Holst replied that Norway has avoided talking of a Nordic area. This could include Greenland and Iceland, which should be excluded at least for the present, and it would be unreasonable to ask the Soviets to include Kola because of the strategic weapons they have there. Additionally, negotiating such a zone would give the Soviets some control in the area which would be undesirable. The Swedes have been helpful, he said, and concluded his statement by noting that "it is a matter of managing the process rather than arriving at a decision." "My role," he post scripted, "is to tell you that we know what we are doing." (The implication throughout the statement was that the US didn't understand Norwegian politics or public opinion very well.)
- (S) Dr. Ikle observed that sometimes ideas go far afield, have unexpected results. Mr. Holst agreed that this was true, that for example, there was

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a de facto NNWFZ, that this might be expanded via the UN, but that this is sensitive since it affects German domestic policy. He said he talked to Chancellor Schmidt about arms control and that the Schmidt told him he didn't appreciate Brandt's recent advice on the subject. Holst added that we all like to export advice.

- (S) Dr. Ikle said that we liked to think we exported solutions and turned to DoD developments noting that we were stressing the weapons acquisition process. One problem, he said, was that US defense industries are under capitalized and cannot produce weapons quickly.
- (S) As the meeting closed, Holst asked about the draft and Dr. Ikle replied that a manpower commission was looking at the issues but that we were trying to make the volunteer system work. Pay and other aspects were improving and at present it looked as though there would be no need for a draft at least for some time, although it would be instituted under crisis conditions.

DWAYNE S. ANDERSON