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10 DOWNING STREET

From the Private Secretary

12 March 1986

Thank you for your letter of 11 March enclosing a draft of the speech which the Foreign Secretary proposes to make at the Foreign Press Association on 17 March.

I have discussed with the Prime Minister one or two passages which seemed to me likely to cause difficulty and in consequence have the following comments:

- (i) In paragraph 4 I do not think it is correct to describe Gorbachev as "flexible". A better description would be "sophisticated".
- (ii) The first sentence of paragraph 15 could be interpreted to mean that we should be reluctant to use our nuclear weapons in any circumstances. It might better be expressed as "Our aim is not to have to use our weapons."
- The main difficulty arises over paragraphs 20 and (iii) 21 dealing with the SDI. The Prime Minister thinks it is a mistake to refer back to the Royal United Services Institution speech, especially on a day when Secretary Weinberger is in London. Nor does she feel that the claim made for that speech in the first sentence of paragraph 21 is really justified. More importantly, she feels that the whole passage deals with the SDI in too half-hearted a fashion. The fact is there appears to be a growing acceptance in most western countries not only that SDI research is justified but that eventually deployment may also be justified. You may want to consider redrafting these two paragraphs in a way which acknowledges the degree to which the concept of SDI has gained ground and makes clearer the futility of Soviet tactics in trying to link progress in other areas of arms control with renunciation by the United States of the SDI.

I would be happy to discuss this last point if you thought it useful.

CHARLES POWELL

Colin Budd, Esq., Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

11 March 1986

Dear Charles

On 17 March the Foreign Secretary will be speaking to the Foreign Press Association, on the subject of Defence, Deterrence and Arms Control. I enclose a copy of the "near final" draft of his speech. He will be revising it further over the next two days but would like to know at this stage if the Prime Minister and the Defence Secretary are content with the general thrust of his proposed remarks.

The US Secretary of Defence will be in London on 17 March for talks with Mr Younger, ahead of the meeting of the NATO Nuclear Planning Group in Germany. That visit was arranged after the Foreign Secretary agreed to speak to the FPA on defence-related issues. Given Mr Weinberger's presence in London, the inclusion of a passage on the over-riding importance of the American security guarantee will be particularly appropriate. As a courtesy to Mr Weinberger, Sir Geoffrey Howe intends to let the American Embassy have the text of his speech on 14 March. It would consequently be helpful to have your views before close of play on Thursday 13 March.

I am sending copies of this letter and its enclosure to Richard Mottram and Michael Stark.

(C R Budd)

Private Secretary

Yours ever, Odin Budd

C D Powell Esq PS/10 Downing Street

FIRST REVISED DEFENCE, DETERRENCE AND ARMS CONTROL

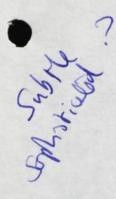
FULL DRAFT

FOREIGN PRESS ASSOCIATION: 17 MARCH 1986

1. [Introductory paragraph]

2. To provide security for the citizen is the first duty of government. It is indeed the raison d'etre of government. Prosperity, welfare, all the rest, follow. You cannot have them if peace is not secure. Cheap slogans about weapons or welfare, Trident or treatment, cannot wish away that truth. No more can security be provided by a speciously attractive timetable for abolishing nuclear weapons by the end of the century. Security has to be worked for and it has to be paid for.

Defence - yes, arms and armament - are part of what we need to do the job. But, if that was all, George Younger would be making this speech, not me. Diplomacy and arms control, indeed the whole skein of economic and human relationships, contribute. Providing security is ultimately a political and diplomatic as much as a military problem. It has to do with the way people behave across the board, including their respect for human rights and well-being, and their acceptance of the logic of economic development. It has to do with the way the major powers behave in other regions of the world. Violent and unpredictable behaviour in any of these fields affects the central security relationships. Restraint and consultation in one area help build confidence in others. This is why NATO has always had a political stragegy, seeking political dialogue and greater understanding alongside deterrence and defence.



4. And that is why the advent of Mr Gorbachev gives ground for increased hope. He is evidently a more flexible, even if a more formidable interlocutor; and able and willing to alter the familiar stereotype of Soviet demands at Geneva and elsewhere. Diplomacy should always go hand-in-hand with defence. We must test the extent of genuine willingness to compromise.

5. I am used to sceptical glances which greet the claim that strong defence and nuclear deterrence have kept the peace since 1945. Of course I cannot say for certain what would have happened if for forty years we had gone on a binge, neglected our defences, had welfare and not weapons. The guileless and the gullible might say they would have disarmed in the East in response to our good example. But it was Mr Andropov himself who said "we are not naive".

6. When a continent has enjoyed forty years of peace, it is easy to forget that security is <u>not</u> the natural condition of man. Nor is absence of the fear of war. It is a rare privilege that most of those in Britain under the age of 50 have little direct memory of the horrors of war. Mercifully few of us had a glimpse of it in 1982. In World War II - a conventional war save at the very end - over twenty million died. Since 1945 over a hundred conflicts have been fought, with results as horrific in human terms - fought outside Europe.

7. We in Western Europe have been secure. But not because there has been no threat. 180,000 square miles of territory were annexed by the Soviet Union at the end of the war; half a million people were brought forcibly under Soviet rule. It is a fact of history: one whose after effects we still live with; and seek to mitigate. History has made Russians suspicious of the outside world to their West and East. And since the war they have taken out the most massive of over-insurance policies. Combine this with an ideology that still speaks of the "inevitability" of communism worldwide. You have a potent force against which other's security and national interests - Afghanistan's for instance - have counted for little.

8. Conservative and Labour Governments since 1945 have concluded that we ignore the threat at our peril.

Because we have not ignored it, the risk of war is today low. Soviet leaders (and we have seen enough of Mr Gorbachev to judge that it goes for him too) are, like us, cautious men. But the relationship of their system and ours - the open society on the one hand and the closed one with Marxist-Leninist ideology on the other - is potentially adversarial. There lies the risk. If the inevitable conflicts of interest are to be resolved without risk of strife, we must keep our guard up. We must also work ceaselessly to reduce tensions.

9. Our policy has two simple objectives: to preserve our values - our way of life - and to prevent war, any war: we are against war, not just against nuclear war.

10. To secure those objectives, and provide the essential guard behind which we can work through diplomacy and arms control, we need adequate military forces; just as we need Allies. Our security is inextricably bound up with the security of Western Europe as a whole. It is across the divide in Europe that the weight of conventional forces bears most heavily. It is crucial that the European contribution to the Alliance should be consistent, coherent and military adequate. The Government's security policies have therefore given increasing emphasis in recent years to the European dimension. But we never forget that the maintenance of deterrence in Europe depends critically on the American strategic guarantee.

11. NATO remains the lynch-pin of our security. And there is no substitute for the full commitment of American might. They are essential if we are to have stability, above all - and I apologise for the jargon - "strategic stability".

12. But our alliance with the North American democracies is not based just on self interest: the need for protection. It is grounded in common values, open societies and democracy. I am appaled that those in this country who are critical of particular American policies - who are free to voice such criticism as loudly as they please - should after go on to equate the United States and the Soviet Union. A recent opinion poll suggested that the two super powers are regarded as equally threatening. A plague on both their houses people seem to say. That is just muddled thinking, regrettably encouraged by those of our opponents who have trimmed and twisted for political convenience once they no longer carried responsibility in government. I condemn anti-Americanism. It is not just dangerous to our security; it is logically and morally flawed. The prevention of war is the most moral task of all those a Government undertakes. Governments have a moral obligation, as well as a right to pursue policies designed to safeguard the way of life and values of their people. The guarantee to our security, symbolished by the presence in Europe of 300,000 American servicemen, underpins not just a defensive alliance but an association which has with good reason been known since the 1940s as the Atlantic community.

13. Successive governments in this country have concluded that five or six percent of gross domestic product devoted to defence is money well spent. Without such relatively modest expenditure — and we reckon that the Soviet Union spends fifteen percent or more — we cannot get credible military forces. We do not have to, and we don't, match tank for tank, soldier for soldier. What is essential is a spectrum of forces sufficient to be a real deterrent. And the judgement of what is sufficient to deter is, at the end of the day, a political judgement rather than a simple military one. The military man considers capabilities. The politician must consider intentions too.

14. Our concept of deterrence in the Alliance is exclusively defensive. We have no intention of tying our hands in advance as to how we would exercise our absolute right to self-defence. But none of our forces will ever be used except in response to attack. That is the pledge which counts. No first use of nuclear weapons is a sham and deserves its distasteful mnemonic NOFUN.

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15. Our aim is to avoid using our weapons. If we ever had to, our policy would have failed. This is one of the paradoxes of defence in the nuclear age. The whole rationale of force structures and weapons systems is geared to the objective that they should never be used.

16. But we face two initial problems. First, the Soviet Union enjoys notable geographical advantage. She is our neighbour in Europe. The might of America is across three thousand miles of ocean. That fact cost us dear in relation to Germany in both World Wars. We in Western Europe and our North American allies must see to it that it does not weigh against us again. Our second permanent disadvantage is that the Warsaw Pact not only has Soviet nuclear forces of comparable power to ours but much larger conventional forces. And they seem willing to continue to sacrifice other economic and social objectives to the strengthening of those forces. No nonsense about welfare before weapons for them.

Those are the stark disadvantages under which the Alliance labours. We meet the challenge firstly by trying to convince a potential aggressor that he would not be able to achieve his military objectives. the need for the full spectrum of modern conventional weaponry, to check and if possible repulse an attack. But history, too often repeated, shows that you cannot be sure this traditional kind of defence will suffice to put off the attacker. He may miscalculate the likely response. Or he may calculate correctly that, having superior forces, he can fight from start to finish on the territory of others. Even if he loses, the destruction and suffering will only be visited on his military forces. And he may have political and economic motives quite strong enough for taking that risk. Those who come forward today with fancy theories of (purely) having only anti tank guns and no tanks, relying on "a purely defensive conventional posture" as Labour's policy document rather quaintly puts it, are accused of reinventing the wheel. I disagree: their wheel is square and has no spokes. They are blind to these lessons of history: would-be gamblers with Western Europe's security.

There is, in fact, a critical second element essential to effective deterrence of war. A potential aggressor must calculate that he would run real risk of himself suffering unacceptable damage to his own territory, to his own people, if he attacks. Deterrence is not just dissuasion. Although the confusion may be inescapable in the French language, our French Allies certainly do not confuse the two concepts. The threat of retaliation, to punish aggression, is essential. I would not shrink from the term retribution. The would-be aggressor must be as conscious of the prospect of punishment as of the risk of failure. In face of the geographical handicap and the disadvantage in conventional military strength, a purely conventional defence of Western Europe can never achieve this. I frankly doubt whether a purely conventional defence could ever be feasible, so long as the underlying hostility of the two systems remains, even if we too spent 15% of our national incomes on arming ourselves. The nuclear contribution to our defence is essential to effective deterrence of the threat of war. That is why I said it was specious to talk of a timetable for the abolition of nuclear weapons by 1999, whilst not bothering too much about genuine disarmament. We cannot just overlook the conventional, chemical and other weaponry which is arrayed at the far side of the Elbe.

19. We must work, we are working, to reduce the level of armaments whilst preserving stability. Balance is essential. General disarmament is the long term aim. Relations between East and West must be improved and confidence built-up, within our own continent and more widely, if we are to get far. Meanwhile to call for instant nuclear disarmament is propaganda. Much as we might wish it were otherwise, nuclear weapons will continue for the foreseeable future to make an essential contribution to preserving peace. I shall be accused of supporting the balance of terror; of wanting our children and grandchildren too to live under the terror of incineration at nine minutes notice. But simply making Europe safe for conventional war is no way to preserve our children's future. Faced with slogans, a good first step is to have recourse to the OED. It defines deterrence as prevention by frightening. I would call that not a balance of terror but a balance of prudence. I am indebted to Professor Thomas Schelling of Harvard for a roadway metaphor which seems to be very apposite:

"People regularly stand at the curb watching trucks, buses and cars hurtle past at speeds which guarantee injury and threaten death if they so much as attempt to cross against the traffic. They are absolutely deterred. But there is no fear. They just know better."

20. In speaking a year ago at the Royal United Services Institute, I discussed the relationship between offensive and defensive weapons in maintaining deterrence. I recalled in particular the second of the Four Points agreed between President Reagan and the Prime Minister at Camp David and subsequently adopted as formal elements in American policy over the Strategic Defence Initiative. Deterrence must be enhanced, not undercut. I see the United States criteria, against which the President will judge the results of the research programme, as designed to ensure this. Survivability and cost-effectiveness are the right yardsticks if the strategic stability essential to effective deterrence and hence to our security is to be enhanced. Meanwhile common prudence dictates that the massive Soviet research programmes into the new technologies should be matched. The American research is essential, first and foremost as a prudent hedge. I very much welcomed the recognition of this fact from the better informed and more thoughtful members of the Opposition who spoke in the recent House of Commons debate on the SDI.

21. I have found that the questions I posed last year have set the agenda for Alliance discussion. It is now well recognised that the decisions about possible deployment are far in the future. The US Government will take those decisions; there will be nothing automatic about technological advance outstripping policy. One way of moving towards the answers to some of the questions would be through dialogue in Geneva on the relationship between offensive and defensive weapons. I hope the Russians will move off their indefensible line that their research is legitimate but that the SDI must stop, and engage in the proposed dialogue. Until they do, doubts will remain about their seriousness over negotiating reductions in nuclear weapons.

22. Action to strengthen the effectiveness of the ABM
Treaty is one of the possible keys to progress at Geneva.
Confidence as to the nature of the relationship between
offense and defence might help to encourage the big cuts
in offensive missiles which we all want the nuclear
powers to make: to quote the Camp David Four Points
again, security with reduced levels of offensive systems
on both sides.

23. It is no good the Russians sticking their heads in the sand: pretending that the ABM Treaty outlaws laboratory research under the SDI, making renunciation of such research a precondition for reductions in strategic weapons and refusing to discuss the relationship between offense and defence. The ABM Treaty is a fundamental achievement of arms control. But there are ambiguities and disputes over what is meant by crucial parts of the Treaty. There are "restrictive" and "broader" intrepretations in Washington. The President has endorsed the considered legal view in favour of the "broader" interpretation but decided, in a step which bears the hallmark of real statesmanship, to conduct the SDI within the restrictive interpretation. Meanwhile the Moscow position, despite the views they advanced in the 1970s, is not restrictive but prohibitive It is also illogical, not least in the context of their own research. But the uncertainty affects the debate over Treaty violations which inevitably undermines confidence. Soviet actions, not least their construction of the Krasnoyarsk radar, give cause for deep concern. Double standards over Treaty compliance cannot be accepted. There is a self-evident need to clarify precisely what is and is not permitted under the Treaty.

24. Meanwhile the Geneva spotlight is turned on mediumrange missiles: the INF negotiations. It is there, and unfortunately there alone, that the Soviet proposals of 15 January showed any flexibility, or responded to those which the American negotiators put forward in November last year. The President's response was worked out in close consultation with America's allies. I hate to have to say so when directly addressing the Fourth Estate, but the reports about American puzzlement and irritation over European "inconsistency", first for and then against the zero solution, are media invention. The news was good but "crisis in NATO" seems to be an indispensable headline if any story at all is to be printed. As Foreign Secretary I can perhaps be forgiven for finding the truth more exciting, since it concerned the closest, most thorough and, as senior members of the US Administration unanimously confirm, satisfactory Alliance consultative exercise of recent years.

25. We are unanimous, and we have been since 1979, that an INF agreement must provide for equal global entitlements for the United States and the Soviet Union; it can't leave mobile SS20s in Asia out of the recknonings; it must strengthen security, not reduce security; it must not be circumvented by leaving shorter range systems such as the SS22, and 23 unrestrained; it should provide for the zero-zero solution: real zero worldwide, not phoney zero. The US proposal achieved all this, and it did not pretend to govern the nuclear weapons of third countries which are not parties to the Geneva negotiations.

26. But it is precisely there, I hear the one-sided disarmers say, that Britain should contribute. Why not put our nuclear forces on the table, unblock the negotiations, "contribute"? Haven't the Russians said that British and French forces are an obstacle to agreement? Isn't that reasonable? After all, who are they pointed at? Is it not our duty to remove the obstacle and give peace a chance?

27. I invite those who call that line reasonable to look beyond the propaganda and to bear in mind that we do wish to contribute to arms control once our minimum conditions are met. But no reductions in the superpower arsenals of over 10,000 nuclear warheads apiece have so far been agreed. I fervently hope that they will be.

We are invited to compromise our deterrent force on the basis of no more than fine words and fair promise. But the priority must be to reduce the superpower strategic arsenals by fifty percent. That means serious negotiation, preferably on the basis of the US Proposals which are on the table.

28. The Russians in one breath call all weapons which can reach Soviet territory strategic, in the next they call our Polaris and Trident systems (which can reach the Soviet Union) an SS20 equivalent and try to draw them into the INF negotiations. Then they conveniently brush aside and hope we will forget about the whole panoply of other systems they have within range of Britain and our European allies. They demand a no-increase commitment from us while commissioning new anti-ballistic missiles (nuclear armed) round Moscow; these increase their defensive capability against our as well as US missiles. They demand from us a no-increase commitment but, even while the Geneva negotiations are on, the new SS25 is being deployed and the SS24 developed and tested.

29. What the Russians are trying to do, but which we shall <u>not</u> agree, is to pressure us to accept constraints on a force which will not be in service for another decade on the basis of an entirely hypothetical prospectus about superpower cuts and the strategic environment. We will not agree to put our strategic deterrent into a negotiation at which we are not even present and which deals with an entirely different category of (medium range) weapons.

30. I set out at the UN in 1983 the two conditions - very substantial cuts in superpower arsenals and no increase in Soviet defences - which would have to be met before we would reconsider how best we might contribute to nuclear arms control.

31. The size of our forces - current and planned - is designed to give us a minimum credible deterrent in the strategic and political environment in which we shall have to operate. To achieve this we have to modernise in order to hold at risk critical elements of Soviet state power. We must not fall into the trap of regarding modernisation as automatically undesirable. If it maintains our security, if it strengthens strategic stability, its consequences are, on the contrary, entirely desirable.

32. Until 15 January the unilateral disarmers here were saying Russian demands for compensation for British forces were only fair. Mr Gorbachev then showed how real the security worry was by abandoning that demand and pulling the rug from under the Left's feet. The new set of conditions is equally bogus. It is a bid for unilateral advantage to which we shall not give way. Let our conditions be met.

33. Britain and France should not be used as an excuse to block an INF agreement in Geneva. It would be unjustified, unnecessary and unacceptable - and, if it was done in a bid to split the Western allies, it wouldn't work.

34. I remind you, however, that we have never said never. The conditions I set out at the UN in 1983 have not changed. And there is not one shred of evidence that unilateral gestures over nuclear weapons would unblock the arms control process. Britain's unilateral renunciation of chemical weapons, with unilateral destruction of CW stocks, had no effect. The Soviet Union is estimated to have some three hundred thousand tons of CW.

35. This Government has no intention of gambling with Britain's security. If, when they say "give peace a chance", they mean give away Britain's deterrent - for that is what the 15 January conditions amount to - they would not be giving peace, but war, a better chance.

Messrs Kinnock and Healey were congratulating themselves heartily when they last returned from Moscow, on a bogus deal they had struck - a reduction of one of the ten thousand plus Russian weapons for one of Britain's minimum deterrent force. We, at least, are not naive.

36. Does anyone really believe that the complete removal of SS20s would be a serious prospect today had we followed the prescription of those who opposed NATO's deployment of cruise and Pershing missiles decided in 1979? Does anyone with any experience of negotiation believe that trading missile for missile with the Soviet Union will do anything but undermine the security of Britain?

37. If Britain will not therefore play ball with the unilateral nuclear disarmers, could we not contribute by making a move on testing? Isn't verification now just an excuse anyhow? The short answer is "no"; it is a very real concern. We are not talking about a few quid each way at the races but about the security of this country. In other areas of the nuclear debate, the problems of verification are taken seriously.

Mr Gorbachev himself says he takes them seriously. Only when it comes to testing, it seems, is there a less-than-serious approach. Blithe assumptions, unfounded predictions, untested hypotheses - we are asked to base our security on these, not on the hard-headed approach we adopt elsewhere.

38. Time and again we have set out our reservations about the sort of verification regime that might apply to a comprehensive test ban. We have laid out the technical case, in detail, in papers tabled at the Conference on Disarmanent in Geneva. Our critics say it isn't so - or rather, please agree it isn't so. But that we are not prepared to do. We cannot resolve problems by ignoring them. Sometimes those interested in pursuing a test ban seem more attracted by its propaganda value than by serious scientific analysis.

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39. Every year thousands of natural events occur such as earthquakes which in seismic terms show similarities to nuclear tests. The similarities are crucial. Seismology alone offers us a real chance of verifying constraints on testing. So long as such events and nuclear tests both occur above a certain level of seismic activity, we can detect them and - equally important - we can distinguish between them. But below that cut-off point we are far from confident. Can we both detect nuclear tests and distinguish them from natural events? At present we doubt it.

40. Anyone seriously concerned with the problem admits that some leakage is inevitable. Some, however, argue that this would be so small as to have no military significance; and that the risks involved are therefore acceptable. We disagree with these claims. And the best scientific advice we have available has not altered this view.

41. There are two key points to remember. First, our critics argue their case on the basis of the best possible conditions for detection. They ignore how little we know about areas where nuclear testing is not now conducted. They dismiss the possibilities for covert evasion. They forget that with a Comprehensive Test Ban in force the situation would be quite different to the present day. It is one thing to detect tests conducted openly at Sary Shagan. And quite another to try when the rules have been changed, when cheating would be carried out with every possible subterfuge, and at a whole host of possible places.

42. Second, we have never argued for one hundred percent, perfect verification. And we agree that technically we may be able to set rough limits to the possible leakage. But, when we come to decide whether this risk is acceptable, we have to make another assessment. We have in addition to weigh the odds that another party would cheat. This means making a political as well as a technical judgement. And if we are to conclude that verification provisions would be adequate we also need to be truly confident that others will not cheat. In present circumstances, we are far from satisfied that such confidence would be justified.

43. Lately Mr Gorbachev and others have made much of his recent offer of some form of on-site inspection. A gift-horse we need hardly inspect? But as the Trojans once found out to their cost, it could turn out to be a distinctly unwelcome gift. History can always be instructive, and especially the history of arms control. So-called new proposals can turn out to be the same old brew, merely warmed up to tickle the palate of those who have tasted it before.

44. During the negotiations in the 1970's the Russians offered various provisions for on-site inspection. But what was on offer was not acceptable to the West. Later, in 1982, Mr Gromyko tabled at the UN a Treaty which called for on-site inspection on challenge. It was equally unacceptable to the West, as a basis for adequate verification. Rather than making vague promises, which in the past have proved illusory, it is now up to the Russians to explain in detail what they mean. It is up to them to engage seriously in the work at the Conference on Disarmanent. So far their contribution there has been sadly inadequate.

45. But if there are problems in concluding a comprehensive test ban we should not be blinded to possible progress elsewhere. Two treaties concluded in the 1970s have remained unratified by the United States and the Soviet Union, at least in part because of American doubts that Soviet compliance could be ensured. President Reagan has repeatedly over the past eighteen months proposed ways to the Russians to improve verification. I urge Mr Gorbachev to pick up these offers. I urge him to allow work to proceed at the same time at the Conference on Disarmament. I urge him to demonstrate that his fair words will be matched by deeds.

46. Let us see the propaganda about testing moratoria and instant test bans for what it is. Let the smokescreen about British and French deterrent forces be blown away by the fresh breath of realism and hope. This should be directed towards the Geneva negotiations and the other practical arms control talks now going on between East and West. These are where real steps can and should be taken towards security at a lower level of armaments, which has always been an integral part of NATO's goal. I believe that the INF, medium range missile negotiation currently offers the best hope for early progress. The prize is, for the first time in arms control history, to remove and destroy by agreement a complete category of nuclear weapons. It would be a real achievement in improving our security; not so much in military terms, for the Russians would be left with more than enough to obliterate Western Europe several times over, as in starting the ball rolling. It would increase confidence. It would, I hope, be a catalyst for the greater prize of major strategic reductions. That in turn would be the biggest single symbol of real progress. We might even find ourselves eventually caught in a virtuous circle of growing mutual confidence.

47. If we are to approach that desirable state, we shall have to secure real progress in reducing the conventional as well as the nuclear threats. I have already referred to their significance for Europe. I was in consequence seriously disappointed by the recent unimaginative response by the East to the major move which NATO, at UK initiative, made to break the twelve-year deadlock in the Vienna negotiations on force reductions in central Europe.

48. For years the East had complained that our demand that data be agreed on exactly what troops each side has, was an unnecessary impediment. We do, of course, know that the East has more forces than they have declared. But last year we found a way to set that problem aside. It was we who took the initiative within the Alliance. It was no easy decision for us. Nor was it easy for our Allies. We asked instead for adequate verification of a relatively modest scheme compatible with the East's own ideas. Our hopes rose when Mr Gorbachev gave his well publicised pledges about Soviet agreement that verification of arms control, even on-site verification, was acceptable, even important. We can take what you can take, he said. But, when the first test of these brave new words came in Vienna, we got the same stale, unacceptable, unbalanced reply on verification and information exchange which our negotiators had received before. I hope it is not the last word. Conventional arms control is vitally important, particularly important to us in Europe. Verification is one of the keys to it and I remain determinedly optimistic that Mr Gorbachev's new, and much more forthcoming, line on verification will be implemented and will not turn out to be mere propaganda.

49. Verification is essential also to agreement on chemical weapons. CW is actually being used <u>now</u> in warfare. We need action to eliminate this whole horrible class of weapons and we need it soon. Soviet stocks are huge. The West cannot be expected to take the Soviet word on implementation of a CW agreement. On-site inspection is still essential if we are to have confidence, as is adequate provision for challenge.

50. It is in the context of restoring confidence that I attach importance to the Stockholm negotiation. Lossely referred to as the Conference on Disarmament in Europe, it is not that but the "Conference on Confidence and Security-Building Measures in Europe". As the prospect of its achieving modest but real results by the autumn will be considerable if the Russians live up to their fair words.

51. I have frequently mentioned the need to rebuild confidence. It is essential. It is difficult. Trust was destroyed in the late 1970s by Soviet actions of which the invasion of Afghanistan was merely the most blatantly unacceptable. This explains why the Western view on the Soviet treaty compliance record is so different now compared with the 1970s.

52. Hand in hand with the effort to reduce the level of armaments, preserving stability and improving security at lower levels of forces, must go confidence building. That is the whole object of our diplomatic effort in East/West relations. The task is to manage competition between the two systems by dialogue and by gradually extending the frontiers of mutual understanding. I would be inclined to put particular hope on the economic pressures on the Soviet Union towards cooperation. The Russians already spend some 15 % of their gross domestic product on defence. The cost of new weapons systems continues to rise. The pressure to devote more resources to the civilian economy is We should not be shy of small achievements. I make no excuse for our insistence in negotiation on measures to reduce distrust, to increase transparency, to build up confidence. One of the root causes of instability, which if untreated eventually threatens conflict, is mistrust. Our efforts to eliminate the potential causes of war, not just to deter and prevent war, must be unremitting.

53. But any change is bound to be slow and require great patience. The changes in the Soviet leadership and its style give something to build on. The dialogue was opened between the Prime Minister and Mr Gorbachev. I hope to continue it shortly with Mr Shevardnadze in London.

54. It is important to recognise that arms control is not the only element - albeit a very important one - in the relationship. The pursuit of arms control will not by itself lead to greater security or mutual confidence. As Salvador de Madariaga wrote:

"Nations don't distrust each other because they are armed; they are armed because they distrust each other... Disarmers would avoid wars by reducing armaments. They are going to the wrong end of the line. The only way is far more humdrum and modest. It consists in dealing day-to-day with the business of the world."

55. What then is our agenda? Defence and deterrence, which require adequate military forces and for the foreseeable future a nuclear deterrent too, are essential. But arms alone do not provide security. The underlying relationship between East and West must be improved, mistrust broken down and confidence restored. It is in that context that arms control is so important. I would point to verification as the key issue at the moment in opening the door to progress. The objective is the reconstruction of confidence in conditions of stability.

of the world can be conducted in a way which leads to the barriers between East and West coming down. It is in that spirit that I look forward to discussion with Mr Shevardnadze. The Government can be relied on to miss no opportunity to build patiently on the fabric of relations with our fellow Europeans, East of the Elbe as well as West. We shall do so secure in a defensive Alliance armed with a credible deterrent but armed also with infinite determination to reduce tensions and to respond to any new readiness to meet us half way.