

PRIME MINISTERVISIT TO WASHINGTON: ARMS CONTROL

I attach a paper prepared by the FCO and MOD on the arms control issues which are likely to arise during your visit to Washington.

The paper covers familiar ground. It suggests that our priorities should be: to edge the US away from setting a time limit for elimination of strategic ballistic missiles: to put the focus on the INF negotiations: to try to get the Americans to negotiate agreed limits on SDI research with the Soviet Union: and to stress the importance of adhering to SALT limits.

Points which are new are: the notion that the US position on elimination of strategic nuclear missiles may be a gigantic bluff (dubious): the suggestion that we don't need to be so loyal to the US on SDI when they are calling into question the credibility of our reliance on Trident: and the idea of setting a target date of next Easter for completion of INF negotiations.

There are a number of points arising from the paper which you will want to explore at next week's meeting:

- (i) does the paper put too much bathwater in with the baby? Your meeting with the President needs to be highly political and to deal with a few really crucial issues. There is no point in trying to cover in detail with him the whole of the arms control waterfront (chemical weapons, nuclear testing, the forum for conventional arms control). Even the question of observing SALT II limits is, in this perspective, a non-essential issue. You must stick to the really key points.

(ii) these are surely: to bring home to the President the implications for NATO strategy and the politics of Western Europe of his proposal for the elimination of ballistic missiles/nuclear weapons: to get him to restate the importance of nuclear deterrence: to obtain renewed public assurances from him about the supply of Trident: and to urge a step-by-step approach in further arms control negotiations, which puts an INF agreement in the forefront.

(iii) we need to address more imaginatively our tactics on the SDI. The paper's approach is to try to encourage the Americans to negotiate boundaries for SDI research matching the restrictive interpretation of the ABM treaty, in the hope that agreement can be reached with the Russians on this basis. One has to ask first how far this is realistic: it is precisely the point on which the President stood firm at Reykjavik and reaped great credit for doing so. And second whether it is actually desirable. It can be argued that pressing the Americans to reach agreement on boundaries for SDI research simply makes it more likely that we shall be confronted with an agreement to eliminate nuclear weapons/ballistic missiles in a fixed time-span. We want the President to pay attention to our political needs - deterrence, Trident - so we must respect his political interests which are above all SDI. [Paragraph 10 of the paper deals too dismissively with this aspect.]

(iv) to some extent, the paper lags behind developments. Elimination of strategic ballistic missiles within a fixed time span is firmly on the table in Geneva. We shall not get it off again. The best we can do is to try to get statements from the President and senior members of the

Administration which stress the continuing importance of deterrence, so that the proposal for eliminating ballistic missiles is made to appear increasingly a tactical one. (The Russians may actually be helpful in this respect, as they have no interest in an agreement to eliminate ballistic missiles alone). We also need to think out arguments to deal with the entirely unrealistic expectations which the President and Shultz have of how the Europeans would respond to proposals to correct by the conventional imbalance by increased spending on conventional weapons.

- (v) we should also keep encouraging the President to focus on other aspects of East-West relations, notably human rights and regional problems. We are in our present pickle partly because discussion has focussed too exclusively on the symptoms (nuclear weapons) and not enough on the causes (ideological differences, Soviet subversion and so on). As a result arms control has assumed a momentum of its own, divorced from the wider aspects of East-West relations. These other aspects all point towards treating the Soviet Union with great caution - caution which should be no less the watchword in arms negotiations.
- (vi) we therefore need to work up a rather more basic approach to the President, which could run something like this:

"Ron, you did wonderfully at Reykjavik in reading Gorbachev's game-plan and refusing to let him bounce you into giving up the SDI. It just shows how careful you have to be in dealing with the Russians: you can simply never trust them, and every proposal they make needs to be crawled over in minute detail. That's now the job of your people in \_\_\_\_\_

Geneva.

It seems to me that you have built up a very strong position in three ways. First, SDI has got the Russians to the negotiating table. We've got to use it to keep them there. That means standing firmly by the position that you will not accept unreasonable constraints on SDI research. Second, you've got them to make all the real concessions - getting rid of the SS20s, *- r short range* excluding the British and French deterrents from the INF negotiations, accepting your definition of strategic systems, going for really deep cuts in strategic nuclear weapons. Those concessions are now out in the open and they can't call them back. They will find it increasingly hard to explain why they are obstructing separate agreements on these points. Third, you've managed to hold public opinion in the US and Europe very skillfully. No-one is falling for the Russian line about it all being the fault of SDI that no agreements were reached.

The Russians will now desparately try to keep everything linked together. Your interest surely is to pocket the Russian concessions and try to make progress one step at a time. The obvious place to start is INF. An agreement there will really show that your aim of reducing weapons is being realised. And it will go down well in Europe. So your tactic should surely now be to break up the Reykjavik package into its constituent parts and put pressure on the Russians for early agreement or INF. You will also want to press ahead with negotiations on points which were not directly part of the Reykjavik

*Nothing in line  
Trident*

package like nuclear testing and chemical weapons.

The area where we have a real problem, Ron, is when you talk of the elimination of ballistic missiles within ten years. Now, I know why you do that: it's part of your vision of freeing the world of nuclear weapons. I respect that and your motives in seeking it. And of course you have made the proposal and it stands on the record.

But you do need to take account of the impact in Europe, where the proposal is seen as equivalent to removing the US nuclear umbrella which has guaranteed the peace for 40 years and leaving Europe exposed to the massive Soviet preponderance - which is indisputable - in conventional weapons. It is unrealistic to expect the Europeans to close that conventional gap, though no doubt many of them could do more than they are doing now. (And don't forget, Britain has increased defence spending by 20% in real terms in the last seven years.) Their reaction is much more likely to be to turn towards neutrality and accommodation with the Soviet Union. If we are to prevent this, it is very important that every time you mention the aim of eliminating ballistic missiles, you should also speak of the need to deal with the conventional imbalance and to tackle the political causes of East/West conflict.

You will also cause me very real political difficulty if you pursue your proposal for eliminating ballistic missiles too actively. In our people's minds it will raise two questions: isn't Labour right after all in

wanting to get rid of nuclear weapons, since that is just what President Reagan wants too? And why on earth should we pay out all that money for Trident, if it's going to be abolished in 10 years? These are going to be very difficult points to deal with as our election approaches. Indeed the outcome could even turn on them. If you want strong pro-American, pro-defence governments in the United Kingdom and Europe ready to stand up to the Soviet Union, you must help me deal with the arguments. The best way is to reaffirm strongly that the Alliance will continue to rely on nuclear deterrence for the foreseeable future. That is quite compatible with your position: you are not about to start throwing away your nuclear weapons. But it will make a great impact if you would join me in restating it, together with the corollary that reducing nuclear weapons must always depend on action to deal with conventional imbalance. And secondly, it would help tremendously if you would reaffirm strongly the US commitment to the Trident programme and to the supply of Trident to the UK. A strong statement on these points would confirm the validity of the central planks of our defence policy through the elections."

You would then ask him to subscribe to the sort of statement which is attached (and which you saw the other day).

C.D.P.

C. D. POWELL

30 October 1986



PM/86/068

PRIME MINISTER

Arms Control

1. As part of the preparations for your visit to Washington next month, your Private Secretary commissioned a paper covering the main arms control issues, and the way in which you might handle these with the President. This is now attached, and I look forward to the chance of discussing it with you and colleagues at our meeting next week. I understand that George Younger is content with the overall thrust.

2. The paper responds to a number of detailed questions which your Private Secretary raised. It is intended both as a background brief and as a series of speaking notes. In my view and that of George Younger, there are four key areas in which we need to influence current US thinking:



- (i) we need to ensure that whatever movement we have already been able to generate away from the total elimination of strategic ballistic missiles within a limited timespan is continued, and is reflected in the US negotiating position at Geneva;
- (ii) we need to refocus US priorities on the INF area, as part of an overall effort to ensure that in the pursuit of long term arms control goals they do not lose opportunities in the short term for agreements that meet our desiderata;
- (iii) you will want to go over once more with the President our ideas for handling potential boundaries within which SDI research will continue, and their relevance to the ABM Treaty. This is of course a particularly important area for the Americans, and for the President. It remains however one of the key issues in the current arms control scene and both George Younger and I believe that it must be addressed in detail;

[I wonder]





(iv) we must underline the earlier messages about US breaches of the de facto SALT limits. Your visit will be particularly well timed to influence the President as he moves to that crucial decision by the end of this year.

3. As you will see, the paper suggests that one issue you might raise with the President is the possibility of a joint announcement of Easter next year as the target date for an INF agreement. There are the usual risks in such an announcement: that we shall impose time-pressure on ourselves, which will encourage Soviet obduracy and force from us unnecessary concessions as the deadline approaches. For that reason, George Younger does not favour such a proposal. For my part, however, I think it deserves consideration as a useful way to refocus attention on INF, produce a concrete result from Camp David, and underline the Western commitment to early results. So long as the hand is played with reasonable skill, I do not believe that a notional target date (not a deadline) should put us under any more pressure than the Russians. Perhaps this is a point on which we could touch next week.

4. You will have noticed already that there is a growing tendency on the US side, particularly on the part of



George Shultz, to refer to the SDI as an "insurance policy" for the future. The attached paper does not take up this point, but I have a couple of comments.

5. The concept of insurance can be interpreted in two senses. In the first, the prospect of the SDI has proved to be a most potent form of leverage over the Russians. It has helped to bring them to the negotiating table and, as Reykjavik demonstrated, to keep them there. In that sense, the continuation of the US research programme is some sort of insurance against a Soviet walk-out from Geneva in the short term. And it may also provide some assurance of Soviet compliance with future arms control agreements, on the premise that they would be that much more reluctant to breach obligations which could in turn redirect American energies into an unconstrained development of strategic defences. If that is what Shultz means, then it would have some force.

6. The concept is arguably more natural when interpreted in a second sense: the SDI as insurance against Soviet cheating (or Qadafi) after all missiles/weapons have disappeared. But the analogy is not in my view a very sound one. A prudent insurance policy requires a low premium for a low risk and vice versa, whereas SDI demands a very high premium for the lowest possible risk



(of nuclear war). Insurance must also guarantee to pay off, but in the case of SDI its internal logic suggests it will not. With the elimination of all ballistic missiles, the main threat against which it would offer insurance would be that directed against population centres. But there seems to be a fairly general consensus now, at least among the scientists and military, that a wholly leak-proof defence of such "soft targets" is unfeasible in the foreseeable future. These points need not be mentioned at Camp David, but you may find them useful background.

7. I am sending copies of this minute and enclosure to the Chancellor of the Exchequer, the Secretary for Defence, the Lord President, the Chancellor of the Duchy of Lancaster, the Chief of the Defence Staff, and Sir Robert Armstrong.

FOREIGN & COMMONWEALTH OFFICE (GEOFFREY HOWE)

29 October 1986



## PROGRESS IN ARMS CONTROL POST-REYKJAVIK

Present Position

1. The details of US and Soviet current positions are set out at Annex. At Reykjavik important gaps, at least in the nuclear weapons area, began to close. But the Russians have returned to their earlier position that, while negotiations on separate areas of the Reykjavik package can continue, and even lead to agreements, implementation of those agreements will not be possible until agreement on all areas including SDI is reached.

US and Soviet Intentions

2. On the surface the various elements of the US Administration are wholeheartedly in favour of the outline package discussed at Reykjavik, including "no deal" on SDI. The driving force in Washington behind the current US posture remains the President's own commitment to pursue the abolition of nuclear weapons, starting with what is seen as the most destabilising factor - strategic ballistic missiles (the land-based version of which was the focus of his original SDI vision). Despite earlier reservations, Mr Shultz's most recent comments suggest that he has decided - at least for the moment - to support the package in its entirety. The President's



senior advisers, notably Mr Nitze, Admiral Poindexter, and Messrs Ikle and Perle in the Pentagon, all seem equally committed to the package, and the various elements in it, although their motives are probably rather dissimilar. However, the strategic missile element of the package has already been criticised by key figures in Washington - most crisply perhaps by Dr James Schlesinger, and by the US media across the political spectrum; while the attitude towards it of Mr Weinberger and the Joint Chiefs of Staff is ambiguous. Finally, it is not certain that all of the President's advisers (notably Messrs Shultz and Nitze) will stick indefinitely to the "tough" SDI line, even though the President's decision to make SDI an issue at the mid-term elections seems to be having some success.

3. Soviet intentions are even less easy to gauge. The Russians will in any case attempt to obscure their real aims, to confuse the Alliance and to exploit any divergencies between its members. A key factor is their approach to the START reductions. There is little doubt that they are now prepared to accept the concept of 50% cuts over five years (though their implementation may be another matter). But Soviet acceptance of the total elimination of strategic ballistic missiles over one decade must be subject to much greater doubt. Such missiles represent one of the few elements which justify



Soviet status as a superpower. Without them, Soviet failings in other spheres give them no cause to be considered the US equal. Our judgement is that, in addressing this central element of the Reykjavik package, Gorbachev was in fact bluffing; and that the Kremlin leadership (including the military) will wish to ensure that this essential element of Soviet military power is retained for the indefinite future. The swift Gorbachev response, proposing and now insisting that the elimination of all nuclear weapons - or at least all strategic nuclear weapons, ie not just ballistic missiles but long range cruise missiles and bombers as well - is now the goal (the repetition of his January proposals), tends to confirm this analysis.

4. SDI remains a genuine concern to the Soviet leadership, for a variety of reasons including the destabilizing potential and the cost/technology factors. Their concerns about a SDI-influenced strategic future will lead them to seek continued constraints on relevant research programmes. The apparent Soviet readiness to accept the current INF deal on offer is no doubt influenced by the prospective disappearance of Pershing IIs, and by the decoupling implications for Western security; they may also be attracted by the chance of some wedge-driving on SRINF. But it is still possible that they will renege on the 100 warheads deal, and will



SECRET

demand the right to retain more assets against China if the "Grand Design" of abolishing all strategic nuclear weapons (with its much wider benefits to Soviet interests) is not now pursued.

5. On other arms control issues, progress towards limited constraints on nuclear testing - rather than concentrating on a CTBT - may be more consistent with real Soviet interests. It remains to be seen if their propaganda in this area will now wind down. On CW, it is still unclear whether the Russians are genuinely interested in a ban. It is also far from certain, despite the Budapest Appeal, whether the Russians are prepared for a serious negotiation on conventional arms control. It is questionable whether they will accept the Western concept of parity as a negotiating goal, or will allow the extent of their current superiority to be properly monitored.

#### UK Priorities

6. We remain committed, for sound strategic, economic and military reasons, to arms control achievements across the board. Our chief priorities are:

- deep cuts in strategic arms. We remain deeply concerned about the total elimination of strategic



SECRET

ballistic missiles. This proposal not only threatens to have a damaging effect upon Alliance security. It also begins to cast doubt on, and to jeopardize political support for, the UK independent deterrent.

We need to ask ourselves how far it makes sense for us to feel obliged to offer our full loyalty to the US vision of SDI, while they may be putting at risk the reality of UK Trident.

- a near-term agreement on INF. We have publicly endorsed the current LRINF deal; but we would prefer an interim solution which allowed NATO to retain some forces of this type in Europe, and would be more comfortable if this were the eventual outcome.
- the preservation of current treaties, notably the ABM Treaty and the SALT accords;
- a US/Soviet understanding on how research into strategic defence will be pursued over the next decade;
- progress on CW, where the US and Russians remain at an impasse over the challenge inspection issue;
- a phased approach to further constraints on nuclear testing; and

[But this will open the way to agreement on the diminution of nuclear weapons].





SECRET

- as a first step, the establishment of a viable forum for conventional arms control acceptable to both the US and French.

Our overall aim will be to focus US negotiating goals on the near term achievement of what already appears possible.

7. Many of these UK attitudes are shared by our European Allies. They may well find an echo in US military circles and on the Hill. In order to give them full expression and to exert the maximum leverage we should continue:

- to take every opportunity to coordinate policy with the French and Germans, and to secure their support for our approach;
- to impress on the Russians that a successful outcome depends just as much on them as on the Americans; and
- to lobby hard with those in Washington sympathetic to our special concerns, encouraging the Germans and French to do the same.

The public expressions of UK views which are already beginning to emerge have to be handled with care, but can usefully reinforce the private messages.

UK Future Policy

8. We have already started to feed in our views to Washington, notably in Ministerial contacts post-Reykjavik and in calls by HM Ambassador. Our best chance of influencing the US approach will of course be the Prime Minister's Washington talks in mid-November.

9. While pursuing the priorities identified in paragraph 6 above, we will also need to re-establish a basic fact: whether our assessment of President Reagan's approach is correct - that he is now truly set on abolition (under the umbrella of strategic defences) of strategic nuclear missiles (and even weapons?) within his own lifetime; or whether he is playing a masterly bluff, determined to press the Russians hard against the wall before backing away from either this vision or the SDI dream.

10. If the former assessment still seems right, the argument could be made that our own interests would be best served by no real progress in START or SDI, at least in the short term; in other words, the Reykjavik outcome was a lucky escape. However, such an option is not a practical reality, given that

- the key area of arms control remains strategic nuclear weapons;
- our strategic, economic and political interests will be advanced by deep cuts in both sides' arsenals;



- only such a process will make a significant contribution to putting East/West relations on a sounder footing; and
- whatever we do, Soviet and US interests will continue to focus their attention on this area.

11. The remainder of this paper proposes points on which the Prime Minister might draw in discussing with the President each of the detailed areas of arms control.

#### UK Approach at Camp David

12. START. We should continue to press the Russians for the 50% solution over five years, or 30% if that is the most we can get. For any longer period it is crucial that we make further cuts in, and especially the total elimination of, strategic ballistic missiles conditional on the establishment over the same time-span of a balance in the other forces involved in the strategic equation, ie conventional and - if necessary - chemical weapons. Given the long-term nature of such a project, we therefore urge that the specific ten-year goal applied to ballistic missiles be dropped, or at least made clearly conditional on the elimination of the conventional imbalance. We take this view for the following reasons.



SECRET

13. First, nuclear weapons cannot be treated in isolation, without taking account of the overall balance of forces between East and West. The total elimination of strategic ballistic missiles would not only undermine current NATO strategy, it would leave Europe exposed to the undoubtedly superior conventional forces of the Soviet Union. This conventional imbalance has been clearly demonstrated in a range of solid and authoritative US and Allied assessments over the years (eg "Soviet Military Power", the Pentagon annual publication). It cannot now be brushed aside.

14. Non-ballistic nuclear forces (ie aircraft, cruise missiles etc) make a useful contribution to overall Alliance strategy. But in our view - and it is the view of Europe about the credibility of the US guarantee and its impact on the Soviet Union that counts here - such systems cannot by themselves carry the entire burden of deterrence alone. We would also be interested in the views of the President's military advisers: in their judgement would non-ballistic systems alone be sufficient for the purposes of the Alliance?

15. Our concern is not solely with the current confidence of Western Europe in its security. Equally important, the Soviet Union might be tempted to exactly that sort of dangerous risk which the present strategy



SECRET

has successfully prevented for 40 years. Europe would not only be made safer for conventional war. The chances of such a war would have been increased. President Reagan was therefore right to entitle the MX missile the "Peace Keeper". The prospective total elimination of missiles of this type will, in our view, not help to keep that peace.

16. The effect of such a proposal would also be damaging for our own deterrent force. It would severely undermine the political support in the UK necessary for decisions about UK Trident to be taken now about deployments planned for the 1990's. There is no question of the present British Government being prepared to give up its deterrent capability (nor, incidentally, the French or the Chinese). But the current US approach risks providing encouragement for a Government in Britain which will not be dedicated to preserving the bedrock principles of the Alliance. Those in the UK who oppose current NATO strategy will argue that UK Trident is not worth pursuing any longer because it will not be deployable by the 1990's; and that the case for devoting to conventional forces the money saved is that much stronger with the new importance of the balance in that area. We wonder how much the US Administration has in common with the proponents of such arguments, apart from a superficially common attachment to the total elimination of ballistic missiles.



17. It is in any case far from clear to us that the Russians are genuine in saying they want all nuclear weapons to be abolished, including ballistic missiles. We have the gravest doubts that the elimination of the greatest indicator of Soviet military and political power, ie ballistic missiles, will happen within the next decade. Our concern however centres on the shift in political patterns within Europe that will be stimulated over that period. The net result could be serious and near-term damage to the Alliance, and possibly an enduring split between the Western democracies, and all to no nuclear avail in the longer term.

18. Furthermore, it is uncertain that the near-term results (over the next two or three years) of SDI research will produce the basis for confidence in the longer term (ten-year) goal. The latter seems wholly dependent on achieving the results in the SDI programme over the proclaimed timescale which will strengthen its claim as a credible insurance policy. But if those results are not achieved, in the interim period serious damage to the structure of the Alliance will nonetheless have been caused. Managing the period of continuing SDI research, until such time as decisions can be made one way or another, will be safer and easier if we do not burden ourselves now with a dubiously precise target.



19. Is the total elimination of ballistic missiles really in the US interest? Nuclear weapons may not be useable - as the President has said, nuclear war can never be won, and must not be fought. But as we always argue to and about the Russians, these missiles can exert key political leverage. The result of elimination will leave the US still at risk from other nuclear forces. But what will be the implications for US economic and regional interests (including interests in Western Europe) if that leverage is no longer available?

20. Finally, of course we appreciate the need to take account of the views of the younger generation. We agree that we must hold out the prospect of deep cuts in nuclear weapons, and some hope for the future beyond that. In the same way we hold out hope of eventually eliminating poverty, disease and other ills. But it is wrong to underestimate the realism and the sophistication of the world's best-educated generation ever. Our experience is that they are not in the end swayed by clamorous minorities, ginger-groups, and lobbies. The growth in conservative sentiment on US campuses over the past five years seems to bear this out. Europe kept its nerve in 1983. It is vital that the US do so now.



21. INF. The present deal is acceptable, although a lesser result would in fact be more comfortable. Apart from pressing for Soviet de-linkage from SDI, we would see advantage in a high-profile Western proposal to bring the negotiations to a swift conclusion. Would there be merit in a joint announcement of our determination to settle the INF issue by Easter (17 April), always provided that the Russians are prepared to do their part?

22. If the Russians were to insist on more Asian forces for themselves because of the Chinese factor, then the West should seize the opportunity to retain some US deployments in Europe. The arguments to justify such higher levels to public opinion could run along these lines:

- (i) the new situation is dictated by Soviet needs and demands - we have always wanted global zero;
- (ii) we cannot allow additional Soviet forces in Asia without then matching these in Europe, primarily because of the retransfer problem, with possible Soviet retention of their infrastructure in Europe. There would also be greater verification difficulties;
- (iii) we also need to see Western security in a global sense, including the threat to Japan;





SECRET

(iv) while a zero LRINF result for Europe would have been acceptable, provided the level of forces in Asia was not excessive, at the same time we must note that the presence of minimal US forces in Europe strengthens the coupling of US/European security.

23. Together with long-range INF we also need to deal with shorter-range weapons. We must take account of the increasing concern in Europe about such systems, particularly in the FRG where the immediate threat is highest. It is essential that we secure the US desiderata in the current INF negotiations: a freeze on present Soviet SS12/22 and SS23 forces, plus a US right-to-match. We also need to consider urgently our longer-term approach, in subsequent negotiations, to even shorter-range systems.

24. SDI. We believe that some Soviet concerns, apart from propaganda statements, about SDI are indeed genuine. And we recognise the leverage that the US research programme therefore provides at Geneva. We continue to support the US research programme, within the "restrictive" interpretation of the ABM Treaty. However, the current impasse threatens to jeopardize the prospects for major cuts in strategic nuclear arms, which - it is generally agreed - would greatly assist any successful deployment of strategic defences at a later stage. Even under such a near-term agreement on offensive arms, it



SECRET

would still be necessary to maintain strategic stability until decisions dependent upon the outcome of current research into strategic defences could properly be made. In the past the US have laid out two possible approaches to reducing nuclear weapons: by negotiating their removal; and by using the hope of SDI to compel their obsolescence. The second option should not, in the promising circumstances of today, become an obstacle to pursuing the first.

25. The key Soviet concerns appear to be:

- the definition of permissible research in the interim period; and
- their reluctance to provide endorsement in principle now for deployment of defence systems at some later stage.

We therefore suggest that the US side might consider a possible agreement which would:

- (i) endorse the "restrictive" interpretation of the Treaty as the basis for future research over the next five years; and
- (ii) make the terms for subsequent research thereafter subject to further review and agreement.

[what grounds  
are there  
to think  
the US would  
accept this?]



In no sense would this provide the Russians with a veto over potential US deployments after ten years (or whatever period for extending the ABM Treaty withdrawal period was by then agreed). It would however rob them of the argument that they were being required to endorse deployments before all the circumstances in which such deployments might take place had been properly considered.

26. Two other possibilities are worth exploring:

- Soviet readiness, suggested in their latest moves, to accept the legitimacy of some forms of development and testing outside laboratories; and
- as implied in the President's proposal for "Open Laboratories", the conduct on a mutual monitoring basis of respective research programmes involving the development and testing of systems outside laboratories, and perhaps even subject to agreed quotas.

Such a process should assist the implementation of the cooperative transition towards deployment of defences which the President has repeatedly emphasised to be his main objective.

27. In short, the UK is not seeking to constrain the continuation of research projects designed to establish whether some more secure form of Western defence strategy is possible. Nonetheless, we consider it essential that



any attempt to place unnecessary obstacles in the way of substantive arms control agreements should be firmly rebuffed. If the Soviet Union shares the Western objective of a historic new agreement on arms control, then it seems inconceivable that the President should not be able to use his personal skills and the strength of his negotiating position to find a way through the dilemma which will prove acceptable to both sides (as he tried to do at Reykjavik).

29. SALT Limits. We would welcome an update on the President's intentions for the strategic modernisation programme this autumn. While our reservations about the May decision are well known, we have applauded the policy of "interim restraint". We noted that in May Mr Reagan undertook to take account of developments in the Geneva negotiations which in his words could alter the situation. A US decision now to transcend the previous force ceilings, for whatever reason, would be seriously damaging to the Alliance, especially in the Reykjavik aftermath. The earlier arguments for not presenting Mr Gorbachev with a propaganda gift are even stronger now. Conversely, the progress at Reykjavik justifies precisely that reconsideration which the May statement promised. We strongly believe that technical factors we understand already exist should be utilised in order to defer going over the present ceilings at least until after the next Summit.



30. Chemical Weapons. We continue to believe that the UK proposal on challenge inspection offers the right way forward. We will continue to press the Russians for a substantive response to that, and will keep the US closely informed of developments.

31. Conventional Arms Control. We hope that NATO can soon agree on how to proceed. What is needed is a broad overall CDE framework which would cover:

- (i) negotiations on confidence-building measures in which all 35 countries would participate; and
- (ii) negotiations on limitations/reductions which should exclude the neutrals, and involve commitment by all NATO countries to a collective outcome and a common negotiating position.

If the US can now accept such an approach, it might form part of the joint announcement of the results of the Prime Minister's Washington visit.

32. The Russians will no doubt resist our efforts to de-link INF etc from START/SDI. The following arguments should strengthen our hand:



- (a) we are following the traditional US/Western approach - step-by-step, achieving what is possible and not making the good await the achievement of the best;
  
- (b) linkage only exists at Soviet insistence, it is a concept the US has always rejected. There is no logical reason to link SDI with INF, CW, testing etc. It is in fact a totally artificial obstacle to arms control. If maintained by the Russians, it will only damage their own political position;

There is of course a corollary to the "progress where progress possible" argument: that our proposals for agreements must be at least minimally attractive to Mr Gorbachev, who has his own political problems.



SECRET

ANNEX

ARMS CONTROL: PRESENT POSITION

1. SDI: Ten-year extension of ABM Treaty withdrawal period agreed. Russians insist that research, development and testing during this period to be conducted in laboratories only. US argue that even under "restrictive interpretation" research, development and testing legitimate outside laboratories including space, provided full-scale components and systems not involved. Russians link implementation of agreements in other areas to accord on space/defence ie SDI.

2. START: 50% cuts over five years agreed, based on 1,600 launchers and 6,000 warheads on each side. Over further five years, US propose elimination of all strategic ballistic missiles; Russians apply to all strategic weapons.

3. INF: Agreed that each side to hold 100 LRINF warheads outside Europe, Russians in Asia, US in homeland. Freeze on SRINF.

4. CW: Outline and majority of elements for total ban already agreed at Geneva CD. Major remaining obstacle US/Soviet disagreement over challenge inspection, former



requiring mandatory inspection and latter right of refusal. UK proposal to resolve impasse awaits considered Soviet reaction, US unenthusiastic.

5. Nuclear testing: Ratification of 1970's Treaties agreed. Negotiations to be set in train "aimed" at CTB, but in first place designed to achieve limited new constraints over phases, in parallel with offensive force cuts.

6. Conventional arms control: Russians peddling Budapest Appeal (25% cuts in all armed forces in Europe) and advocating a Phase II CDE to negotiate it. Discussions in NATO Task Force currently bogged down on issue of forum: US resist any link to CSCE/CDE process, French unwilling to involve selves in negotiation divorced from CSCE/CDE.

7. Verification: Russians vigourous at Reykjavik at proclaiming dedication to most stringent verification. But agreement in principle no substitute for details, where no discernible sign yet of new Soviet movement.

8. SALT limits: President to decide whether to exceed by year-end (maybe November). Technical factors allow for deferment, but internal Administration pressures strong for break-out.



①

Messrs. Stanley &  
Renton informed

CDP  
29/10.

PRIME MINISTER

ARMS CONTROL

We have a meeting next week on arms control to consider:

(i) the paper which you commissioned on the outcome of the Reykjavik Summit and how we might approach your meeting with President Reagan;

(ii) the Foreign Secretary's earlier paper setting a proposal for 25% reductions in conventional forces in Europe. You had doubts about the wisdom of this proposal.

At present we have the Lord President, the Foreign Secretary, the Defence Secretary, the Chancellor, the Chairman, CDS and Sir Percy Cradock coming for what was intended to be a primarily political discussion.

Are you content to stick to this?

Or

Would you want to add Mr. Stanley and Mr. Renton?

Or

Would you in addition want officials?

- Yes.  
No - other than No. 10.

CDP

C. D. POWELL

29 October 1986