#### CONFIDENTIAL covering SECRET

#### PRIME MINISTER

#### ARMS CONTROL

You have a meeting on Monday to consider Arms Control issues. The Lord President, the Foreign Secretary, the Chancellor, the Defence Secretary, the Chancellor of the Duchy, Mr. Renton, Mr. Stanley, CDS and Sir Percy Cradock will attend.

There are two separate issues: conventional arms control in Europe, and what you should say on nuclear weapons' matters to President Reagan at Camp David.

### Conventional Arms Control in Europe

You were very sceptical of the Foreign Secretary's proposal for an initiative in this field (A). Although the MOD put their names to it, I understand that they were not actually very happy. The arguments against the proposal as it stands are set out in my note. (Michael Alexander also has reservations).

On the other hand, the Foreign Secretary remains very attached to his proposal. His further letter (B) deals with some of the objections which you raised. It is a good deal more precise than his original minute. Moreover the outcome of Reykjavik certainly increases the need to underline publicly the conventional imbalance and to have in place proposals for negotiations to correct it. But I still wonder whether all the ramifications have been thought through. In particular we need to distinguish between what would happen in the wider area of Atlantic to Urals, and the reductions which would take place on the Central Front (which is what actually matters). And the proposal for 25 per cent across the board cuts still smacks of propaganda (its exactly the same as the Warsaw Pact figure) it might be better to look at specific figures.

You may like to seek agreement from the meeting that the proposal should be discussed with our closest allies and fed into the work of NATO's High Level Group, but <u>not</u> announced in terms at the Vienna CSCE meeting.

# Camp David Paper

The FCO/MOD paper - which you have not yet had time to read - is in the folder (C). You will also want to see Sir Percy Cradock's views (D).

C.D.S.

C D POWELL

31 October 1986

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PRIME MINISTER

31 October 1986

# ARMS CONTROL: WASHINGTON MEETING

- 1. The paper submitted with the Foreign Secretary's minute of 29 October provides useful background but needs much refining and sharpening if it is to serve as a brief for your meeting with the President.
- 2. Its judgements on Soviet intentions are questionable. The assertion that the Russians do not want to give up ballistic missiles since they are one of the attributes of a superpower (paragraph 3) is particularly doubtful. Given the prospect of enjoying overwhelming conventional superiority without any nuclear check, the Russians would not hesitate. Their acceptance of the Reagan proposal and attempt to expand it to all strategic nuclear weapons proves their enthusiasm, not as the Foreign Office argue, their reservations.
- 3. Throughout, the paper is too kind to the Russians, stressing their legimitate concerns and failing to mention their overall objectives and considerable programme on ballistic missile defence.
- 4. I also doubt some of the judgements on the President. I do not see him as carrying out a clever bluff life would be simpler if this were the case rather as a man with an obsessive vision, supported by officials who are prepared to submerge all their doubts out of loyalty.
- 5. But above all, the paper does not bring out our priorities. Our object in this meeting is to extract from Reagan a public endorsement of the principle that reductions in nuclear weapons must take account of imbalances in conventional and chemical weapons and that for the foreseeable future the Alliance will continue to depend on



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nuclear deterrence. If we achieve that we have succeeded. Everything else is secondary. But the paper and the minute tend to list INF, SDI and compliance as of the same order.

- 6. On this central issue, the arguments in paragraphs 12 to 20 are useful but are well short of speaking notes. I would avoid saying (paragraph 17) that the Russians may not be genuine in seeking the abolition of all nuclear weapons. It is probably untrue and it cuts across our other agreements. Our point is that abolition could happen and that if it did, NATO strategy and security would be destroyed and that the mere prospect of it happening would be seriously destabilising. The two key arguments are the effects on NATO and the effect domestically. Both will have to be put very directly the Americans have so far been handled with excessive delicacy by their allies and it may be in the end that the second will prove the more effective.
- 7. There are further arguments against a world without ballistic missiles which merit examination: why abandon the invulnerable part of the deterrent and revert to reliance on much more vulnerable bombers?; the impossibility of verifying total abolition; in consequence the need for both sides to preserve small reserve stocks.
- 8. We need to take account of the most recent developments, including the discussions between Kohl and the President and the sugggestion of a high level discussion with key allies of the strategic issues emerging from Reykjavik. (Useful if the Americans will hold their hands until it reaches conclusions. Dangerous if it merely sidetracks the critics). We also need to identify the likely US response to our arguments, as in Antony Acland's recent telegrams, and prepare rejoinders:

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- a. The line that increased European spending could dispose of the conventional imbalance. We shall have to stress the over-riding political difficulties of such a course and reject the implicit view that a conventional balance by itself would ensure European security. In the end, however, we should show ourselves ready to examine these ideas further if by so doing we can get suitable language in the press statement after your meeting.
- b. The line that non-ballistic systems should be sufficient to carry deterrence.
- c. The argument that SDI would take care of any uncertainties after nuclear abolition (the Shulz insurance argument).
- d. The line that the President intends to do nothing unilaterally and, pending negotiation, is forging ahead with MX, Trident D5 etc. To which the answer is that the prospect of early abolition will cast a shadow before it with serious political consequences.
- e. The need to think of the young. Paragraph 20 is helpful (the young are not stupid) but something could be added along the lines that the worst service we could perform for the young would be to bequeath them instability.
- 9. We also need to think of a fall back position to cover the worst case of presidential obstinacy. This might take the form of a willingness to concede our arguments in private but unwillingness to have them endorsed in public. (See the latest NSC warning shots about a joint statement).

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It is of course important in a general sense, but on this occasion I would treat it with caution. Do we really have an interest in trying to square the Soviet/US circle? Have we not been saved from the consequences of Reykjavik by the continuing disagreement on SDI? The President will be highly sensitive on the issue and you will have to begin by applauding him for his firm stand at Reykjavik. I would be happy to trade support for Reagan's position on SDI for suitable language in the press statement on nuclear/conventional weapons.

11. INF is a different matter and could be the second in your priorities. As I suggested when we spoke earlier, there is presentational value in trying to pick it out from the Reykjavik package and put pressure on the Russians by a US offer to sign a deal within a short period. Here I agree with the Foreign Secretary. But again, in the last resort, getting our way on INF is dispensable.

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PERCY CRADOCK