

CONFIDENTIAL

CONFIDENTIAL
 FM VIENNA
 TO IMMEDIATE FCO
 TELNO 176
 OF 051826Z NOVEMBER 1986
 INFO IMMEDIATE WASHINGTON

ms *Pl. file*

FROM PRIVATE SECRETARY

SECRETARY OF STATE'S BILATERAL WITH SHULTZ: ARMS CONTROL
 SUMMARY

1. DISCUSSION OF THE FORUM FOR TALKS ON CONVENTIONAL WEAPONS. SHULTZ TO STUDY OUR IDEAS AND DISCUSS WITH FRENCH. SECRETARY OF STATE EMPHASISES DIFFICULTY FOR UK OF ELIMINATION OF BALLISTIC NUCLEAR WEAPONS WITHOUT CORRESPONDING REGULATION OF CONVENTIONAL FORCES. SHULTZ PRODUCES SOME RAW IDEAS ON DETERRENCE WITHIN THE FRAMEWORK OF ELIMINATION OF BALLISTIC MISSILES.

DETAIL

2. THE SECRETARY OF STATE HAD A 40 MINUTE MEETING WITH SHULTZ THIS MORNING. THIS TELEGRAM COVERS ARMS CONTROL MATTERS. MIFT COVERS OTHER SUBJECTS.

CONVENTIONAL WEAPONS

3. THE SECRETARY OF STATE SAID THAT WE HAD DISTILLED A SET OF PRINCIPLES WHICH MIGHT BE HELPFUL IN RECONCILING US AND FRENCH DIFFERENCES OVER THE FORUM IN WHICH CONVENTIONAL ARMS SHOULD BE DISCUSSED. HE HANDED A COPY OF THE PRINCIPLES TO SHULTZ. HE EXPLAINED THAT THEY HAD BEEN WORKED OUT WITH THE GERMANS, AND THAT HE HAD ALREADY GIVEN A COPY TO M. RAIMOND, WHOM HE UNDERSTOOD THAT SHULTZ WOULD BE SEEING IN PARIS ON FRIDAY.

4. SHULTZ SAID THAT HE UNDERSTOOD THAT M. RAIMOND HAD MADE A SPEECH IN VIENNA WHICH WENT VERY HARD ON THE FRENCH POSITION AND PROBABLY VIOLATED THE PRINCIPLES WE WERE SUGGESTING. HE WAS WONDERING WHETHER THERE WAS ANY POINT GOING TO PARIS AT ALL. MS RIDGEWAY SAID THAT SHE THOUGHT THE SPEECH STILL LEFT SOME CHINKS OF LIGHT. SHULTZ ASKED WHETHER THE FRENCH COULD BUY THE PRINCIPLES WE WERE SUGGESTING. THE SECRETARY OF STATE SAID THAT HE COULD NOT GUARANTEE THAT THEY WOULD, BUT THAT WE HOPED THEY WOULD BE A BASIS FOR DISCUSSION. SHULTZ SAID THAT HE WOULD DISCUSS THEM WITH RAIMOND IN PARIS, BUT THAT HE DID NOT INTEND TO PUSH FOR RECONCILIATION IF HE JUDGED THE FRENCH WERE NOT READY FOR IT. HE WONDERED WHETHER THE PRIME MINISTER WOULD BRING ANY FURTHER IDEAS WITH HER TO WASHINGTON. THE SECRETARY OF STATE SAID THAT THE PRINCIPLES HE HAD JUST HANDED OVER REPRESENTED OUR BEST EFFORT. SHULTZ SAID THAT HE COULD NOT GIVE MALTA CONTROL OVER US FORCES. THE SECRETARY OF STATE SYMPATHISED.

NUCLEAR ARMS REDUCTIONS

5. THE SECRETARY OF STATE SAID THAT IN HIS BILATERAL MEETING, SHEVARDNADZE HAD REAFFIRMED THE LINKAGE BETWEEN SDI AND OTHER AREAS: THE SECRETARY OF STATE HAD CHALLENGED IT. HE WAS GRATEFUL FOR SHULTZ'S LETTER. HOWEVER HE HAD TO STRESS AGAIN THE ESSENTIAL LINK WHICH WE SAW BETWEEN THE SECOND STAGE OF THE PROPOSED REDUCTION OF STRATEGIC BALLISTIC WEAPONS AND AGREEMENT ON CONVENTIONAL WEAPONS.

CONFIDENTIAL*/Tne*

THE PRIME MINISTER WOULD BE RAISING THIS IN WASHINGTON WITH THE PRESIDENT. THERE WERE A SERIES OF RIPPLE EFFECTS OF WHAT THE AMERICANS WERE CONTEMPLATING:

- (1) THE INCREASING EMPHASIS ON A NUCLEAR FREE WORLD WAS SERIOUSLY UNDERCUTTING THE CREDIBILITY OF THE WEST'S DETERRENT POSTURE BOTH AT HOME AND WITH THE RUSSIANS.
- (11) SHULTZ HAD ARGUED THAT WINDING UP THE DETERRENT COMPONENT IN ALLIANCE STRATEGY SHOULD LEAD TO GREATER EMPHASIS ON PROVISION OF CONVENTIONAL FORCES. IT COULD EASILY LEAD TO FINLANDISATION. IF IT WAS ARGUED THAT CONVENTIONAL BALANCE MUST BE SOUGHT CONCURRENTLY WITH THE ELIMINATION OF BALLISTIC WEAPONS, IT WAS ECONOMICALLY AND POLITICALLY UNLIKELY THAT THIS COULD BE ACHIEVED ON THE BASIS OF INCREASED EXPENDITURE ON CONVENTIONAL WEAPONS.
- (111) ALL THE ARGUMENTS BEING DEPLOYED IN FAVOUR OF THE SECOND STAGE OF THE REDUCTION OF STRATEGIC WEAPONS COULD BE AND WERE BEING DEPLOYED IN THE UK AGAINST THE TRIDENT PROGRAMME. THE PRIME MINISTER HAD BEEN CHALLENGED ON THIS IN THE HOUSE LAST WEEK. THE RUSSIANS WERE PORTRAYING ALL THE ELEMENTS ON WHICH THERE HAD BEEN DISCUSSION AT REYKJAVIK AS THOUGH THEY WERE PART OF AN AGREED ACQUIS. IF THE CASE FOR TRIDENT WAS UNDERCUT IT INCREASED ENORMOUSLY THE PROSPECT OF A CHANGE OF GOVERNMENT IN THE UK AND THEREFORE THE PROSPECT OF A GOVERNMENT WHICH WOULD WISH TO GET RID OF US BASES AS WELL AS NUCLEAR WEAPONS.

6. ON THE OTHER HAND WE HAD NO PROBLEMS WITH A 50% CUT IN BALLISTIC WEAPONS OR WITH THE INF PROPOSALS, PROVIDED THAT SRINF WERE SATISFACTORILY DEALT WITH.

7. SHULTZ SAID THAT HE AGREED THAT THE CONCEPT OF DETERRENCE WAS NOT ONE THAT SHOULD BE ALLOWED TO SLIP AWAY: WE COULD NOT ABANDON ONE FORM OF DETERRENCE UNTIL WE HAD ANOTHER. THE BASIC AGGRESSIVITY OF THE RUSSIANS WOULD REMAIN.

8. THE CONCEPT OF AN INSURANCE POLICY WAS GAINING GROUND IN WASHINGTON. THE PRESIDENT WAS TALKING OF THE IDEA OF STRATEGIC OFFENSIVE WEAPONS AS AN INSURANCE POLICY EVEN IF BALLISTIC WEAPONS WERE ELIMINATED. EVEN WITHIN THE CONCEPT OF SUCH ELIMINATION IT WAS NOT IMPOSSIBLE TO HAVE SOME BALLISTIC MISSILE INSURANCE POLICY, PERHAPS CONSISTING OF LAUNCHERS WITH ONE WAR-HEAD AND A LIMITED THROW-WEIGHT. THIS WOULD STILL BE A DETERRENT, BUT A MORE STABLE ONE. HE EMPHASISED THAT THIS IDEA HAD NOT BEEN THOUGHT THROUGH. BRITISH SYSTEMS COULD BE AN IMPORTANT COMPONENT OF SUCH A DEAL.

9. HE CONFIRMED THAT THE AMERICANS SAW THEIR DISCUSSIONS WITH THE SOVIET UNION AS BILATERAL: IT WOULD BE A MATTER FOR US WHETHER WE JOINED IN AT ANY STAGE. HE OBSERVED THAT THE UK MIGHT BE THE ONLY POWER LEFT WITH ANY BALLISTIC MISSILES.

10. IT WAS UNLIKELY THAT THE AMERICANS WOULD ARGUE IN GENEVA THAT THE ELIMINATION OF BALLISTIC MISSILES REQUIRED MORE THAN TWO STAGES. THERE WERE OF COURSE OTHER STRATEGIC WEAPONS BESIDES BALLISTIC MISSILES. NOR WAS THERE YET AGREEMENT WITH THE SOVIET UNION ON THE MEANING OF THE TERM BALLISTIC MISSILE, WHICH THE RUSSIANS TOOK TO

-3-
CONFIDENTIAL

MEAN ONLY STRATEGIC BALLISTIC MISSILES. THERE WERE OTHER TYPES OF BALLISTIC MISSILE.

11. HE PLANNED TO TRY TO SORT OUT SYSTEMATICALLY WITH SHEVARDNADZE IN HIS BILATERALS IN VIENNA THE AREAS OF AGREEMENT AND DISAGREEMENT. IT WAS OF COURSE POSSIBLE THAT SHEVARDNADZE WOULD ONLY WISH TO TALK ABOUT THE DEFINITION OF LABORATORIES.

12. THE AMERICANS PLANNED TO SAY MORE IN PUBLIC ABOUT THE FACT THAT AT THE MOMENT IT WAS THE NUCLEAR DETERRENT WHICH WAS KEEPING THE PEACE, AND ABOUT THE NEED TO HOLD ONTO THIS. HE COMMENTED THAT THE PROGRESS ON INF SHOWED THE NEED TO HAVE STRENGTH TO DEPLOY ON OUR SIDE IF WE WERE TO BRING THE RUSSIANS TO AGREEMENT.

O'NEILL

YYYY
VFLNAN 2220

CSCE

LIMITED

CSCE UNIT

SOVIET D

DEF D

ACDD

EED

NED

SED

WED

NEWS D

INFO D

PLANNING STAFF

PUSD

LEGAL ADVISERS

ECD(P)

ECD(E)

CRD

MVD

POD

CONS D

ESSD

UND

TRED

MAED

R D

ECONOMIC ADVISERS

ERD

SCD

NTD

RID

PS

PS/LADY YOUNG

PS/MR RENTON

PS/PUS

MR DEREK THOMAS

MR GOODALL

MR FALL

MR RATFORD

COPIES TO:-

AUS(DS) MOD

DACU MOD

RI(RG) MOD

MR C P STEVENS HOME OFFICE
QUEEN ANNE'S GATE SW1

MR P CARLAW DTI VICTORIA STREET

-3-

CONFIDENTIAL