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Ref. A09613

PRIME MINISTER

Comprehensive Test Ban: National Seismic Stations

TPM

The paper by officials attached to my minute of 21st May sets out the problem for consideration by Ministers at the restricted meeting on 24th May. The NSS problem is only one of the outstanding issues in the negotiations; others, which were described in the background brief attached to my minute of 4th May, include the role of the Review Conference and the question of small nuclear experiments. The latter issues are likely to prove just as difficult as the NSS problem, but the onus for resolving them rests with the Americans. Meanwhile the negotiations are currently concentrating on the Separate Verification Agreement (SVA), over which we are in the firing-line because of the position we have adopted on NSS.

2. You may wish first to invite Lord Carrington to report on his talk with Mr. Vance on the NSS problem. Thereafter you might ask your colleagues for their views on the options set out in the paper.

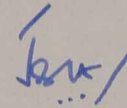
3. On technical grounds, there is clearly no case for moving from the present position. But this would mean continued deadlock. Withdrawal from the SVA (Option A) would be a logical step, which would avoid our having to finance NSS on British territory and should be defensible in Parliament. But it would have all the disadvantages set out in paragraph 8.

4. A move to six (or eight) NSS (Option C) could be presented as a major concession to the Russians (paragraph 10). It would not be technically justified and would be expensive. But it could be explained as the necessary price for a CTB. If we were to adopt this Option, we should be in a strong position to press the Americans to be flexible on the Review Conference formula. If this Option is adopted, it will be necessary to decide how the cost of NSS on British territory should be borne (paragraph 13). The Chancellor will not, of course, be present but I feel sure he would not accept this as a charge against the Contingency Reserve. Unless therefore the Foreign and Commonwealth Secretary thinks the

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Americans might contribute to the cost, I think there is little option but to say that the defence budget (whose level in future years remains to be settled) should bear the cost.

5. In your summing up you will wish to indicate which Option is to be adopted. Further conclusions, on the lines of either paragraph 15 or paragraph 16 will depend on this decision.



JOHN HUNT

23rd May, 1979