CONFIDENTIAL Foreign and Commonwealth Office London SW1A 2AH 16 July 1980 Prinie Arister Dew Michael Negotiations on Theatre Nuclear Forces: The German position You asked for a note on this subject in the light of the Prime Minister's exchange with Mr Callaghan in the House of Commons on 15 July (Hansard Col 1229). terms in which Mr Callaghan spoke appeared to suggest that Chancellor Schmidt put proposals to President Brezhnev which differed in some way from the approach of other allies to TNF arms control. It is true that there had earlier been speculation, prompted by public remarks of the Chancellor's, that he favoured a moratorium on the deployment of new TNF systems by both East and West pending negotiations. However, in his talks with Mr Brezhnev, he seems to have proposed no more to the Russians than that they should unilaterally refrain from deploying further SS20 missiles in the period between now and the first deployment of new Western systems in 1983, in order to permit negotiations. We understand that President Brezhnev rejected this idea, on the grounds that it would involve an unreciprocated concession by the Soviet Union. For the rest, the Chancellor has made it quite clear that the position which he reflected in his talks in Moscow was precisely that agreed in the NATO decisions of 12 December last year. I am sending a copy of this letter to Brian Norbury (MOD). (P Lever) Private Secretary

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