BRIEF FOR THE PRIME MINISTER: LONDON WEEKEND TELEVISION,

16 JANUARY

At. c. 3/1.

Introduction

- 1. The Prime Minister is to be interviewed by Brian Walden on LWT's Weekend World on 16 January. This is the second part of a programme entitled 'The Resolute Approach', of which the first part was shown on Sunday, 9 January. The programme deals with Mrs Thatcher's policy on the economy and on the nuclear debate, dividing time roughly between the two.
- 2. In a television interview on Saturday, 8 January, Dr Owen, commenting on nuclear matters, attempted to portray HMG and the Labour Party as mirror images of extreme and inflexible positions: the former standing for cruise missile deployments at any price, the latter for no deployments and unilateral disarmament. Dr Owen said that the position of the SDP/Liberal Alliance was more credible and intelligent: namely that the extent of cruise missile deployments in the UK should be linked to progress in INF negotiations, where there should be a major attempt to exploit and encourage any signs that the Russians genuinely wanted agreement.

- 3. A public opinion poll conducted for the MOD last month showed that three out of four people polled favoured continued NATO membership by Britain and retaining British nuclear weapons if other countries were not prepared to give up theirs. But opinion about proposed American cruise missile deployments was evenly divided, with indeed a very slight majority against deployment. There is a risk here that HMG will be painted into a corner by critics of the Government on the grounds that 'the Resolute Approach' is a euphemism for inflexibility in East/West relations and insensitivity to public concern.
- 4. The Prime Minister's interview on 16 January is a valuable opportunity to correct any such impression. Having watched the first part of the programme on 9 January, our advice is that the Prime Minister should concentrate on putting across the following three key points:
 - (i) The Resolute Approach means being just as serious and determined about arms control as HMG has been in assuring Britain's defence. If the West negotiates successfully, NATO cruise missile deployments will be unnecessary.
 - No British Government has ever questioned that NATO

 remains the best guarantee for Britain's defence and

 security. US nuclear weapons have been based here, as
 elsewhere in Europe, since the earliest days of the Alliance.

 This is part of our shared NATO responsibilities. Long
 standing arrangements for joint decision-taking in an

 /emergency

emergency have been reaffirmed since the present
British Government and US Administration took office.

- (iii) We can ensure our peace and security while agreeing lower levels of armament on each side, including nuclear armament. But our national security is too precious to stake on unilateral gestures.
- 5. In the attached material, cast in the form of notes for supplementaries, we provide the Prime Minister with a line to take on the main points raised by part one of the LWT programme.

 As further background, FCO presentations on INF and START intended for the briefing at No. 10 on 18 January are also attached, which will be further up-dated before then as circumstances require.

SUPPLEMENTARY LINE TO TAKE

1. The Russians claim an existing balance in medium range systems in Europe.

The Russian claim is bogus and based upon a completely false equation which does not compare like with like. There are no NATO land-based missiles of the SS20 type: the Russians have 1,000 SS20 warheads alone, two thirds within range of NATO Europe. Counting all intermediate range nuclear systems, the Russians outnumber NATO by 4 to 1.

2. British (and French) nuclear weapons should be taken into account in the INF negotiations.

The bilateral INF negotiations in Geneva are concentrating on Russian and American sub-strategic land-based missiles. If the Russians were granted compensation because of the existence of other third party nuclear systems, whether Chinese, French or British, the result would be not parity but Soviet nuclear superiority over the US, a position unstable and unratifiable.

British Polaris/Trident-is a strategic deterrent of last resort and the minimum size viable for that purpose, in the face of the massive Soviet intercontinental nuclear armoury.

British Polaris is equivalent to less than 2 ½% of Soviet strategic missiles and bombers. It is also sea-based, like the American and Russian modern nuclear missile-firing submarines which are excluded from INF by definition.

In the Strategic Arms Reductions Talks (START) the first priority is deep reductions in American and Soviet systems. That is the American position and we support it. But if circumstances were to change significantly, for example if the potential Soviet threat to the UK were to be substantially reduced, we should be prepared to review our position on arms control.

- 3. Andropov has offered to reduce SS20s in Europe.
- We must probe this offer in negotiations at Geneva not in public debate. If for the first time the Russians have been brought to accept that their SS20s must be reduced before there can be genuine security, that would be a small step. But to demand a substantial continuing Soviet monopoly of longer range land-based missiles in Europe, while insisting that the Americans alone should implement a zero option, would be unacceptable.
- 4. Should not cruise missiles be under joint physical control?

 Cruise missiles will be at American bases in the UK. The arrangements governing the use of these bases in an emergency have been in force since the days of Churchill and Attlee, and have been reaffirmed by me and President Reagan personally. They provide for joint decision between our two Governments. Joint centrol thus exists, because a decision of the British Government would be required.
- 5. Should not NATO be flexible enough to consider an alternative to the zero option?

The best outcome would be to eliminate <u>all</u> such missiles as NATO has proposed. That remains the objective. If the Russians have a serious but lesser proposal, which is <u>not</u> based on a false equation of forces and does not seek unilateral advantage, NATO will look at it.

We have always said we would examine serious proposals. NATO's position is very flexible. Our proposed deployments will take 5 years to complete. Even after cruise missiles begin to be deployed in the course of 1983, we can stop, change or reverse their installation, the moment that results in negotiation justify that.

6. A battlefield nuclear weapon free zone along the Central Front in Europe?

No such strip of territory would be 'nuclear free' while nuclear weapons based just beyond it could reach into it. So it's a false remedy. What we want are negotiated reductions in nuclear weapons wherever based. The best guarantee of raising the 'nuclear threshold' is to ensure the strength of our conventional forces.

But NATO policy is to maintain the minimum number of nuclear weapons needed for our defence. NATO withdrew 1,000 nuclear warheads from Europe in 1980. Cruise missile deployments will not increase warheads because we shall withdraw others on a one-to-one basis. You may be sure that NATO will continue to review its stockpile of nuclear weapons in Europe in order to ensure that the numbers and types available are no more than is required for effective deterrence.

Non-appession

7. Warsaw Pact 'Peace Programme' of 5 January?

NATO will examine this seriously for evidence of a fresh Soviet approach. We shall try to look beyond the obvious propaganda ritual. It is certainly time we had a serious response to the far-reaching practical proposals the West has made in all three major areas of arms control: strategic nuclear, intermediate range nuclear, and conventional. If the Russians are ready for new steps in such areas as banning chemical weapons and improving ways of verifying arms control we shall welcome that.

Most important proposal in Prague Declaration is for a 'treaty on the mutual non-use of military force' between the Warsaw Pact and NATO. Bear in mind that:-

- history of non-aggression pacts is not particularly encouraging.
- idea of Warsaw Pact/NATO non-aggression pact has been in circulation since 1955.
- UN Charter is already a non-aggression pact in itself.
- NATO has declared in the most formal manner, at its Summit meeting in Bonn last June, that none of its weapons, nuclear or conventional, will ever be used except in response to attack.

Proposal is presented in a serious manner this time and we shall want to examine it no less seriously. But we do not want rhetorical distractions from the real business of practical arms control.

COST OF THE DETERRENT.

THIS YEAR

In 1982/83 the Strategic Nuclear Force is estimated to absorb 2.4% of the defence budget.

TRIDENT COSTS

Trident is estimated to absorb: 3% of the defence budget on average over the period of procurement (6% at peak); or 6% of the equipment budget over that period (11% at peak).

<u>If pressed</u> on % of 'new equipment' budget: about $\frac{2}{3}$ of equipment spending is on capital production and related development.

COMPARISON WITH FRENCH NUCLEAR EXPENDITURE 15% of the French defence budget was attributed to strategic nuclear forces over the last five years; 18% in 1982; and on present plans it is expected to rise to 20% in future years.

TRIDENT THROUGH LIFE COST COMPARISON

The capital and running costs of Trident over its life are estimated to represent about 12 pence per week per head of the population.

EFFECT OF TRIDENT AT PEAK ON NAVAL BUDGET This will depend on the allocation of resources to the naval programme in the late 1980s and early 1990s, which will be decided in the light of the required balance of defence capabilities.

2. FALKLANDS COSTS.

THIS YEAR

About £700-£800 million (cost of the operation and garrison costs to the end of March 1983).

NEXT YEAR

£200 million for replacing equipment and replenishing stocks, £424 million for garrison costs including capital expenditure.

FUTURE YEARS

Figures will be given in the Public -Expenditure White Paper to be published soon.

EFFECT ON DEFENCE BUDGET The Falklands costs will be met out of monies which will be <u>in addition</u> to the planned 3% annual rate of real growth in the defence budget in line with our NATO commitments.

3. UK DEFENCE BUDGET.

UK DEFENCE EXPENDITURE AS PROPORTION OF GDP

About 5%.

COMPARISON WITH ALLIES

- NATO average last year about 5%.
- European Allies 3.5%.
- US 6.6%.

WHY IS UK DEFENCE SHARE OF GDP HIGHER THAN EUROPEAN ALLIES Shares of GDP are only one measure of defence spending. In absolute terms our defence spending is broadly similar to that of France and Germany and amounts to less than 10% of the total spent by the Alliance on defence. We gain farm more from the Alliance than we contribute.

COMPARISON WITH USSR

USSR spends 14-16% of its GNP on defence.

4. US DEFENCE CUTS.

US GOVERNMENT PROPOSED
CUT IN FY 1984
DEFENCE BUDGET

Inappropriate to comment on the detailed negotiations between the US Administration and Congress. HMG welcomes very strong commitment to defence of US Government.