



10 DOWNING STREET

Prime Minister

You may like to remind
yourself of Incident Japan's
"Eureka" speech of 9 May.

A. J. C. $\frac{3}{6}$

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TO IMMEDIATE FCO

TELEGRAM NUMBER 1683 OF 9 MAY

INFO IMMEDIATE MODUK (DUS(P) DS 17 AND DPS)-UKDEL NATO

INFO PRIORITY BONN PARIS MOSCOW UKMIS NEW YORK UKDIS GENEVA IN NEW YORK UKDEL VIENNA

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PRESIDENT REAGAN ON EAST-WEST RELATIONS AND NUCLEAR WEAPONS

1. IN A MAJOR SPEECH TODAY AT EUREKA COLLEGE, ILLINOIS, PRESIDENT REAGAN SET OUT A FIVE-POINT PROGRAMME FOR FUTURE RELATIONS WITH THE SOVIET UNION. THIS COMPRISED A SOUND MILITARY BALANCE, ECONOMIC SECURITY, REGIONAL STABILITY, ARMS REDUCTIONS AND DIALOGUE WITH THE RUSSIANS. EXTRACTS ON ARMS REDUCTIONS, IN WHICH REAGAN ANNOUNCED HIS PROPOSALS FOR A NEW STRATEGIC ARMS AGREEMENT, ARE CONTAINED IN MIFT. FOLLOWING WERE THE OTHER MAIN POINTS.

2. THE VERSAILLES AND BONN SUMMITS SHOULD STRENGTHEN THE PARTNERSHIP BETWEEN AMERICA AND HER ALLIES ON WHICH THE FUTURE OF THE WESTERN DEMOCRACIES DEPENDED. UNDERLYING THESE DISCUSSIONS WOULD BE THE MAJOR ISSUE OF FUTURE WESTERN RELATIONS WITH THE SOVIET UNION. TO ESTABLISH A MORE SOLID AND CONSTRUCTIVE RELATIONSHIP WOULD REQUIRE CONTINUED WESTERN UNITY. DESPITE ITS SOCIAL AND ECONOMIC FAILINGS, THE SOVIET UNION HAD CONTINUED ITS MILITARY BUILD-UP, UNCONSTRAINED BY EARLIER ARMS CONTROL EFFORTS. THE SOVIET LEADERS HAD EXPLOITED INCREASED EAST-WEST TRADE WITHOUT MODERATING THEIR OWN BEHAVIOUR. DESPITE HELSINKI, THEY HAD NOT RELAXED THEIR HOLD ON THEIR OWN PEOPLE OR THOSE OF EASTERN EUROPE. THE ERA OF DETENTE HAD PRODUCED DISAPPOINTMENT WITH SOVIET BEHAVIOUR IN EUROPE AND DISILLUSIONMENT WITH THEIR ACTIVITIES BEYOND EUROPE.

3. WITH THE PROSPECT OF CHANGES IN THE SOVIET LEADERSHIP, AN IMPORTANT NEW PHASE IN EAST-WEST RELATIONS WOULD BEGIN. SOVIET AGGRESSION WOULD BE MET BY A FIRM WESTERN RESPONSE. BUT A SOVIET LEADERSHIP DEVOTED TO IMPROVING ITS PEOPLE'S LIVES, RATHER THAN EXPANDING ITS ARMED CONQUESTS, WOULD FIND A SYMPATHETIC PARTNER IN THE WEST, RESPONDING WITH EXPANDED TRADE AND OTHER FORMS OF CO-OPERATION.

4. A REALISTIC, DURABLE POLICY FOR PEACE WITH THE SOVIET UNION SHOULD CONSIST OF FIVE POINTS: MILITARY BALANCE, ECONOMIC SECURITY, REGIONAL STABILITY, ARMS REDUCTIONS AND DIALOGUE. A SOUND MILITARY BALANCE BETWEEN EAST AND WEST WAS ABSOLUTELY ESSENTIAL. THE RECENT NATO SUMMARY OF THE MILITARY BALANCE GAVE A CLEAR MESSAGE: OVER THE PAST DECADE THE RUSSIANS HAD BEEN BUILDING UP THEIR FORCES ACROSS THE BOARD. IN THE SAME PERIOD US DEFENCE EXPENDITURE DECLINED IN REAL TERMS. STEPS TO RECOVER FROM THIS PERIOD OF NEGLECT HAD ALREADY BEEN UNDERTAKEN. MEANWHILE, THE ALLIES HAD INCREASE MILITARY SPENDING SLOWLY BUT STEADILY (AS NOT ALWAYS RECOGNISED IN THE US).

15. CONSENSUS

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5. CONSENSUS MUST BE REACHED BETWEEN THE ALLIES ON ECONOMIC SECURITY. CONSULTATIONS WERE UNDER WAY ON RESTRICTING THE TRANSFER OF MILITARILY SIGNIFICANT TECHNOLOGY, ON THE EXTENSION OF FINANCIAL CREDITS TO THE EAST, AND ON THE ISSUE OF ENERGY DEPENDENCE ON THE EAST. SOME OF THE ECONOMIC REQUIREMENTS OF THE ALLIES WERE DIFFERENT FROM THOSE OF THE US. BUT THE RUSSIANS MUST NOT HAVE ACCESS TO WESTERN TECHNOLOGY WITH MILITARY APPLICATIONS, NOR SHOULD THE WEST SUBSIDIZE THE SOVIET ECONOMY. THE SOVIET LEADERS MUST BE FACED WITH HARD CHOICES, CAUSED BY THEIR MILITARY BUDGETS AND ECONOMIC SHORTCOMINGS.

6. REGIONAL STABILITY TOGETHER WITH PEACEFUL CHANGE MUST BE PURSUED. THE US APPROACH WOULD REMAIN BASED ON THE PRINCIPLES FOR ECONOMIC DEVELOPMENT SET OUT IN THE PRESIDENT'S SPEECH LAST YEAR IN PHILADELPHIA AND AT CANCUN. SPECIAL EFFORTS MUST BE MADE TO SOLVE THE PROBLEMS OF AFGHANISTAN, SOUTHERN AFRICA, CENTRAL AMERICA AND EASTERN EUROPE. IF THE THREE WESTERN CONDITIONS FOR POLAND WERE MET, THE US WERE PREPARED TO JOIN IN A PROGRAMME OF ECONOMIC SUPPORT.

7. IT WAS ESSENTIAL TO ENSURE THAT THE NUCLEAR NIGHTMARE NEVER HAPPEND (SEE MIFT).

8. THE FIFTH AND FINAL POINT WAS THE NEED FOR DIALOGUE BETWEEN EAST AND WEST. IF IT WERE NOT POSSIBLE TO ARRANGE HIS MEETING WITH BREZHNEV PROPOSED FOR NEXT MONTH IN NEW YORK, THE PRESIDENT HOPED THAT A FUTURE MEETING COULD BE SET UP WHERE POSITIVE RESULTS COULD BE ANTICIPATED. HE WOULD THEN TELL BREZHNEV THAT HE WAS READY TO BUILD A NEW UNDERSTANDING BASED UPON THE PRINCIPLES OUTLINED ABOVE. THE SOVIET UNION HAD NOTHING TO FEAR FROM THE UNITED STATES, WHO SOUGHT ONLY HARMONY AND MUTUAL RESTRAINT.

FCO PASS SAVING ANKARA ATHENS BRUSSELS COPENHAGEN LISBON
LUXEMBOURG OTTAWA OSLO ROME REYKJAVIK THE HAGUE DUBLIN WARSAW
BUDAPEST BUCHAREST EAST BERLIN PRAGUE SOFIA BELGRADE NEW DELHI
TOKYO PEKING

[REPEATED AS REQUESTED]

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MIPT: PRESIDENT REAGAN ON STRATEGIC (NUCLEAR) ARMS REDUCTION
TALKS (START)

1. FOLLOWING ARE MAIN POINTS FROM SECTION OF TODAY'S EUREKA
COLLEGE SPEECH ON NUCLEAR WEAPONS.

2. TO ACHIEVE A STABLE NUCLEAR BALANCE AT THE LOWEST POSSIBLE
LEVEL THERE WAS NO SIMPLE POLICY AVAILABLE, ONLY DIFFICULT
CHOICES. THE SOVIET UNION HAD USED EARLIER ARMS CONTROL AGREEMENTS
TO CONSTRAIN US PROGRAMMES AND, VIA ITS OWN MILITARY BUILD-UP,
TO ENHANCE SOVIET POWER AND PRESTIGE. THERE WERE NOW DOUBTS ABOUT
SOVIET COMPLIANCE WITH EXISTING AGREEMENTS. ARMS CONTROL IN THE
1980'S MUST BE BASED ON AGREEMENTS THAT WERE VERIFIABLE, EQUITABLE
AND MILITARILY SIGNIFICANT. THE US HAD SINCE LAST NOVEMBER BEEN
ACTIVE IN SEEKING AGREEMENTS ON INF, MBFR AND CHEMICAL WEAPONS
(IN THE CD).

3. FOLLOWING CAREFUL STUDY AND CONSULTATIONS WITH CONGRESS AND
THE ALLIES, THE ADMINISTRATION WERE NOW READY TO PROCEED WITH
PROPOSALS FOR AN AGREEMENT ON STRATEGIC NUCLEAR WEAPONS. THE MAIN
THREAT TO PEACE WAS THE GROWING INSTABILITY OF THE NUCLEAR
BALANCE, DUE TO THE MASSIVE SOVIET BUILD-UP OF THEIR BALLISTIC
MISSILE FORCES. THE US GOAL WOULD BE TO ENHANCE DETERRENCE AND TO
ACHIEVE STABILITY THROUGH SIGNIFICANT REDUCTIONS IN THE MOST
DESTABILISING NUCLEAR SYSTEMS — BALLISTIC MISSILES, AND ESPECIALLY
INTERCONTINENTAL BALLISTIC MISSILES, WHILE MAINTAINING AN
ADEQUATE NUCLEAR CAPABILITY TO DETER CONFLICT, UNDERWRITE NATIONAL
SECURITY AND MEET COMMITMENTS TO ALLIES AND FRIENDS.

4. THE US NEGOTIATING TEAM FOR START WOULD PROPOSE A PRACTICAL,
PHASED REDUCTION PLAN, WHICH WOULD AIM TO REDUCE SIGNIFICANTLY THE
NUMBER OF BALLISTIC MISSILES, THEIR WARHEADS AND THEIR OVERALL
DESTRUCTIVE POTENTIAL. AT THE END OF THE FIRST PHASE,
BALLISTIC MISSILE WARHEADS SHOULD BE REDUCED TO EQUAL CEILINGS
AT LEAST A THIRD BELOW CURRENT LEVELS. TO ENHANCE STABILITY, NO

MORE

MORE THAN HALF OF THOSE WARHEADS SHOULD BE LAND-BASED. THESE WARHEAD REDUCTIONS AND SIGNIFICANT CUTS IN THE MISSILES THEMSELVES SHOULD BE ACHIEVED AS RAPIDLY AS POSSIBLE.

5. IN A SECOND PHASE, THE US WOULD SEEK AN EQUAL CEILING ON OTHER ELEMENTS OF THE STRATEGIC NUCLEAR FORCES, INCLUDING LIMITS ON BALLISTIC MISSILE THROW-WEIGHT AT LESS THAN CURRENT US LEVELS. IN BOTH PHASES THE US WOULD INSIST ON VERIFICATION PROCEDURES TO ENSURE COMPLIANCE WITH THE AGREEMENT.

6. PRESIDENT REAGAN HAD WRITTEN A LETTER TO BREZHNEV, AND HAD DIRECTED SECRETARY HAIG TO APPROACH THE SOVIET GOVERNMENT ABOUT INITIATING FORMAL NEGOTIATIONS AT THE EARLIEST OPPORTUNITY. HE HOPED THAT NEGOTIATIONS COULD BEGIN BY THE END OF JUNE.

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