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10 DOWNING STREET

From the Private Secretary

16 July 1984

Dear Richard,

ANTI-SATELLITE SYSTEMS AND ARMS CONTROL

The Prime Minister held a meeting this afternoon to discuss the paper on Anti-Satellite Systems and Arms Control submitted under cover of the joint minute by the Defence Secretary and the Foreign and Commonwealth Secretary of 19 June. Those present were the Foreign and Commonwealth Secretary, the Defence Secretary, the Minister of State for the Armed Forces, Sir Antony Acland, Sir Percy Cradock and Mr Cartledge.

The Prime Minister said that while a great deal of the information and analysis in the joint FCO/MOD paper was of interest, she did not agree with a number of conclusions reached, in particular the statements that the ideal solution would be one in which ASATs were eliminated by the effective banning of both the orbital ASAT and the US MHV; and that an arms control regime on ASATs which hampered development of BMD on both sides would be in our national interest. Nor did she want to appear to be telling the Americans what to do in this field. They had a great deal more technical knowledge than the UK and we would risk annoying them needlessly.

In discussion of the first point, it was agreed that any negotiations must not prevent the Americans from reaching parity in low altitude ASATs. We should not get in

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a position of seeming to be a party to bringing pressure to bear on the US in this sense. As the Prime Minister had suggested in her speech to the European Atlantic Group, the scope for negotiating restrictions lay with systems for deployment in deeper space. But such restrictions would have consequences for the Strategic Defence Initiative(SDI). These could be fully established only when we had more information on American intentions.

On this second point it was suggested that ASATs could not be seen in isolation and that there was an important link between them and the SDI. It could be argued, for instance, that it was the American announcement of the SDI which had brought the Russians to offer negotiations on ASATs. The threat posed to them by the SDI was thus a useful lever which should be used to full effect. Since orbital ASATs could not be limited without limiting the SDI, an ASATs treaty in isolation would in effect mean the end of the SDI. Against this, it was pointed out that the timescale for ASATs and the SDI were different and that constraints negotiated now on ASATs could if necessary be varied in the future if they hindered the development of the SDI option. The Americans appeared ready to talk to the Russians on ASATs which suggested that they regarded the risk as manageable. Moreover, if the unrestricted development of high level ASATs was allowed, the effect would be to push the Russians into their own SDI. This could in turn eventually degrade or nullify our own nuclear deterrent.

On the point about discussions with the Americans, it was noted that Secretary Shultz had recently written to seek our support and counsel. It was unlikely that there was yet a monolithic US view and we ought to be able to contribute to the debate within the US Administration.

Summing up the discussion, the Prime Minister said that

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we should talk to the Americans, find out how far they had got in their analysis of the problem of limitations on ASATs and whether they had thought through the political and strategic implications, in particular for their allies. But we should not give the impression that we had reached any conclusions. Nor should we try to push the Americans in any particular direction. We did not yet know enough about the subject to do this. We should ask not tell. Our own position could only be decided once we had a clear picture of American thinking.

I am sending copies of this letter to Len Appleyard (Foreign and Commonwealth Office) and Richard Hatfield (Cabinet Office).

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C D POWELL

Richard Mottram, Esq., Ministry of Defence