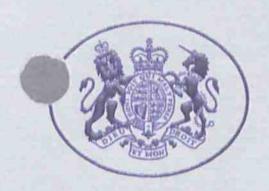
CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

21 November, 1984

Dear Charles,

Western Arms Control Strategy, Including BMD/SDI

I enclose an outline paper from the Foreign Secretary on Western arms control strategy, along the lines requested in your letter of 7 November. It covers a possible approach to the arms control elements of the meetings next month with President Reagan and Secretary Shultz; and considers points which could arise during the February arms control seminar. The paper has been endorsed by Mr Heseltine.

Provided the Prime Minister is content, Sir Geoffrey and Mr Heseltine will arrange for the relevant work to be set in hand.

I am sending copies of this letter to the recipients of yours.

Yours ever, Colin Budd

(C R Budd) Private Secretary

C D Powell Esq 10 Downing Street PRIME MINISTER

WESTERN ARMS CONTROL STRATEGY: ANGLO/US DISCUSSIONS

- 1. FCO and MOD officials have had a preliminary review, as you instructed, of the following issues which arose from our discussion on 7 November:
 - (i) How we should approach the arms control elements of the meetings next month with President Reagan and Secretary Shultz;
 - (ii) How we might best use those meetings to prepare for the more specific and detailed discussions on arms control in the seminar with President Reagan we hope to have in late February;
 - (iii) How to handle the February seminar itself.
- 2. In the light of that review, Michael Heseltine and I agree that we should aim in December to achieve two principal objectives:
 - (a) to set out in broad terms the approach which we would wish arms control strategy to take during the lifetime of the new Administration; and
 - (b) to put down markers on those particular topics we wish to discuss in February. At some stage we may also wish to discuss the potential ways in which these fit into the overall arms control strategy, and the possible interrelationships between them.
- 3. In terms of the first objective, you may wish to impress upon the President some of the following points:-
 - (I) With the revival in US confidence and military strength, with the President's personal triumph, and despite the undoubted obstacles, he

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is unusually well-placed to make a historic contribution to international peace and security.

- (II) Western public opinion needs evidence of our desire and determination to pursue progress in arms control, if support for our defence policies is to be maintained.
- (III) If the economic burden of defence needs is not to become impossible we need to seek agreement on security at a lower level of armaments.
- (IV) The Russians profess a similar desire. If they are bluffing, let us call them. If not, and even then we shall need our best efforts, let us actively negotiate towards the President's goal of radical reductions in nuclear weapons by balanced and verifiable steps.
- (V) The West has sound positions across the arms control board. It would be wrong to make concessions to bring the Russians back to the table. That would reward their obduracy and create a dangerous precedent. But we should review our present positions in each case, to ensure that they demonstrate the imaginative approach towards genuine arms control which the President called for at the Bonn Summit.
- (VI) In this context US ideas for an arms control "umbrella" or "road-map" may be valuable, not least in providing a face-saving device for the Russians to return to talks. There can be no question of diluting our basic and all-important principles of balance and adequate verifiability; equally, these principles should be reflected in ways that encourage, and do not inhibit, progress towards agreements.

- 4. Looking now to the February seminar, Michael Heseltine and I agree that we should aim to focus discussion, and therefore put down markers in December, on three main arms control items, in order of the priority which we attach to them:
 - (A) The two aspects of outer space:
 - (i) anti-satellite systems (ASATs); and
 - (ii) ballistic missile defence, in the context of the Strategic Defence Initiative (SDI).

On both we would expect to deploy the sort of arguments contained in the two joint papers on ASATs and SDI we discussed earlier this year, and to explore US attitudes towards the possibility of constraints.

- (B) Nuclear negotiations:
- (i) how the logical connection between the offensive systems covered in these negotiations and defensive systems in outer space negotiations can be used to give us leverage but without creating new negotiating obstacles;
- (ii) how the strategic arms talks (START) can move forward;
- (iii) Intermediate-range Nuclear Forces (INF):
 - (a) whether a merger with START is desirable and/or possible;
 - (b) whether START could and should resume even without INF if necessary.
- (iv) nuclear testing (always a difficult issue given UK and US security needs and Treaty obligations):
 - (a) how to build on recent US and UK proposals to strengthen Western positions (well short of a comprehensive test ban CTB), given

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- (b) linkage with Non-Proliferation Treaty (NPT) Review Conference.
- (C) Chemical Weapons (CW):
- (i) how to maintain Western pressure for a ban and hopefully to secure a Soviet response;
- (ii) how to sustain an effective negotiating hand:
- (iii) prospects for resumed CW production, and linkage with negotiations, in the light of the new Presidential Review Commission which we expect to seek views from Allies.
- 5. There is also the problem of <u>conventional forces</u> which account for over 90% of global military spending, and the overwhelming burden of Western defence budgets. The following key questions arise:
 - (i) <u>Multilateral and Balanced Force Reductions</u>
 (MBFR) is there a political compromise which would be militarily acceptable given stalemate on basis of present Western objectives?
 - (ii) Do we wish the <u>Conference on Disarmament in Europe</u> (CDE) process to go beyond confidence-building?
 - (iii) Do MBFR and CDE come together after the Conference on Security and Cooperation in Europe Vienna review in 1986?
 - (iv) Do we need an up-dated analysis of Western attitudes towards conventional forces arms control, arms as well as men?
- 6. At our 7 November meeting you underlined the need for the discussions with the Americans to be fully prepared, on the basis of high-quality papers. Provided you are content with this outline, Michael Heseltine and I will put this work in hand. For the moment we suggest:

- (i) that for the outer space talks we will prepare a composite paper, drawing on the two joint papers you have already seen, that could be presented in Washington;
- (ii) that work on the other subjects discussed in paragraph 4 above should continue to the point at which full papers on each topic can be submitted for our consideration; but
- (iii) that decisions on whether to hand over papers on these should be deferred until the February agenda has been settled and you have sounded the President's own thinking in December.
- 7. It is clear that in discussing space and nuclear weapons, questions affecting UK Trident (and the French force de frappe) may arise, and will therefore need to be covered in our briefing if not in the papers. (We can consider how to deal with these issues in the papers for discussion with the Americans at a later stage.) These include:
 - (i) the political (if not military) effect on the two European deterrents if BMD/SDI develop as their proponents recommend. The French take this seriously.
 - (ii) You will recall that the President raised with you some 18 months ago the relationship between the UK and French deterrents and arms control. We shall need to be clear in our own minds how to respond if he does so again.

Geoffrey Howe

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