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NOTE FOR THE RECORD

RECORD OF A MEETING WITH CASPAR WEINBERGER  
AT THE PENTAGON AT 0950 ON 13TH SEPTEMBER 1983

Present:

The Rt Hon Michael Heseltine MP  
Secretary of State for Defence

The Hon Caspar W Weinberger  
US Secretary of Defense

His Excellency Sir Oliver Wright  
GCMG GCVO DSC  
British Ambassador to the USA  
Mr J Blelloch  
DUS(P)

Mr Perle

Dr Lauder

Major General T A Boam CBE  
Head of the British Defence Staff  
Washington

Major General Powell  
MA/SECDEF

Dr S Orman  
Minister/Counsellor Defence  
Equipment

Mr Mosher

Mr R C Mottram  
PS/Secretary of State

1. The plenary session was preceded by a private meeting between the Secretary of State and Mr Weinberger lasting over an hour. This covered broadly the same ground as the plenary, described below.

LEBANON/MNF

2. The Secretary of State said that, like the United States and French Governments, we had now taken steps to provide air support for our contribution to the MNF and BUCCANEER aircraft would be flying another sortie that day. The position in Lebanon had changed substantially since the decision to create the MNF and it was more difficult to see a clear objective which the force might help to achieve in present circumstances. Mr Weinberger said that the objective remained the same. The United States wished to assist in the creation of a unified, sovereign country with all foreign forces removed. This was increasingly difficult to achieve because Syria saw very little reason to moderate her behaviour within the country or to withdraw. The Syrians had gone back on earlier commitments to withdraw because they argued there was no legitimate Government in Lebanon with which they could deal. The Israelis had made it clear they would withdraw if the Syrians did. There was clear evidence of PLO involvement with the Syrians and of Soviet backing for Syrian activities in the Lebanon. There were not many grounds for optimism but to pull out the MNF would achieve nothing and send a bad signal to the whole of the Middle East. The one encouraging feature was the performance of the Lebanese Armed Forces who were being given intensive training and logistic support by the Americans.

3. The Secretary of State asked whether the United States might be drawn into a more active policy involving air strikes against targets of interest to the Lebanese Army and a role alongside them on the ground. Mr Weinberger said that there was no way in which the US ground forces would become involved in operations alongside the Lebanese. This would require Congressional approval under the War Powers Act, the need for which they had so far avoided. It was the case that the Americans were prepared to adopt a "more aggressive defence" involving naval, artillery and tactical air support, though the increased air effort had not yet been needed. The circumstances in which fire could be returned were still clearly laid down. He recognised the dangers in any escalation for US public and Congressional support; but there were signs that, provided their right to be involved was recognised, the Congress would be supportive. The US would continue to sustain the MNF, to seek a ceasefire, and to support President Gemayel. Gemayel's position was not all that solid and it would cause great difficulty should he resign. The fundamental problem remained that a solution rested upon Syrian withdrawal but there was no means of applying pressure to bring this about.

4. The Secretary of State said that he had explained to Mr Weinberger in their private meeting why we wished to avoid involving our Naval forces - either the INVINCIBLE Group or those involved in Exercise DISPLAY DETERMINATION.

HLG

5. Mr Perle said that the British had played a most important role in the work of the HLG in pulling together European views and maintaining consensus in support of a sensible outcome. The Group had come a long way towards reconciling its differences. It was important to take account of the views of SACEUR and of the US Army and Air Force who owned the assets concerned, were not anxious to give any of them up, and were concerned that any figure that was now agreed would become a ceiling for the future regardless of how circumstances might change. The Group had almost reached the bottom line in terms of numbers of weapons and it was important that their recommendations should endorse the need for modernisation of systems. He believed that they could put proposals to the NPG which would have "political resonance" on the eve of INF deployment. They would have their work cut out to protect the substance of their report in the last stages of its preparation, but he believed that this could be achieved. The Secretary of State endorsed Mr Perle's remarks. The work of the Group was an excellent example of Alliance co-operation. An outcome at the proposed figure was satisfactory. The public presentation of the reductions would need the most careful handling to maximise their impact, and it would be helpful - though he was doubtful if it could be achieved - if the outcome could be kept confidential until the NPG meeting itself.

DEFENCE BUDGET

6. Mr Weinberger said that the problem for the US was that half of the budget went on operating costs before any money was available for investment in new equipment. If the Administration were to resist "Buy American" and other pressures in the Congress, it was important for the Europeans to offer host nation support to keep down American operating costs and, more generally, to show their commitment to the real increases in expenditure required by the NATO aim. To the extent that others met the NATO goal, it helped the US Administration in securing its own budget increases: equally to the extent that the Europeans did not meet their targets, it made things that much more difficult for the US Administration. He therefore hoped that the Secretary of State would be successful in sustaining the case for increases in the British defence budget in line with the NATO aim. The Secretary of State said that the Government was committed to meet the NATO aim of 3% real increases a year up to the 1985/86 financial year. There was, of course, scope for argument about what provision should be made for inflation and what was included and excluded in the calculation and these were legitimate issues for our Treasury to pursue. He would seek the best deal possible. The Government had yet to take any decision on the 1986/87 budget, although they would of course have in mind the extension of the NATO aim for the period up until 1990 agreed at the last DPC meeting. He had taken note of what Mr Weinberger had said about the impact of British decisions on the US Administration's position with the Congress.



### INF DEPLOYMENT

7. The Secretary of State said that there were no difficulties for the British Government in proceeding with the deployment of cruise missiles at Greenham Common on time. The detailed timetable for the delivery of the major items of equipment at the beginning of November was acceptable to the British Government but needed also to be looked at from the point of view of the possible impact in Germany prior to the Bundestag debate. This could be argued both ways: it might stiffen support there for deployment but it could be seen as pre-empting their own debate. It was important to avoid any steps which made the German Government's position more difficult and he would propose simply to mention the point to Dr Woerner when he met him the following week at a trilateral Ministerial meeting. The US side took note.

8. The Secretary of State said that the last real chance for the peace movement to make an impact and revive their fortunes would come with the deployment of cruise missiles on British roads away from Greenham Common. If they could interfere with these off-base deployments, they would embarrass the Government and gain much-needed publicity. He therefore believed that GLCM training deployments must be looked at very carefully from a political and presentational point of view and he would be taking a close personal interest in what was proposed. It was agreed that the detail could be handled through the London Working Group. Mr Weinberger said that he agreed with the importance of looking carefully at these issues. While some training could certainly be carried out within the Greenham Common base, it would be important to have some off-base deployments to underpin the survivability of the system. These should certainly be carried out in a way which did not raise public concern about the deployment.

### EQUIPMENT COLLABORATION

9. The Secretary of State said that he wished to thank Mr Weinberger for all of the effort that the Administration had put in to helping us over problems such as the speciality metals clause. There remained, however, areas of difficulty to which his own industrialists continued to draw his attention. One was the difference in treatment of UK-owned subsidiaries operating in the United States and US-owned subsidiaries operating in the United Kingdom. He knew that changes had been made to the rules covering this, but they did not amount to equality of treatment in the two countries. There had also been problems over security restrictions on attendance at meetings and over the exchange of information on which again the Administration had been supportive. He believed that it would be helpful to set up a small working group to establish precisely the continuing areas of difficulty which could then be looked at jointly. Mr Weinberger said that he was happy to proceed in this way.



10. The Secretary of State said that he wished to explain frankly the problems he faced over equipment co-operation and collaboration. The scale of the US defence budget was such that the US could fund projects with state of the art technology across the whole defence field and then sell them around the world at marginal cost. European countries could not simply buy American and let their own industrial capabilities wither away which would be in neither their national interest nor that of NATO as a whole. One option was for the Europeans to develop amongst themselves an integrated R&D and industrial base to compete with the Americans. But he also wished to explore the scope for collaboration between Britain and America in areas where it was to our mutual advantage. There were existing examples of collaboration like the AV8B but the American participation usually came about because they had no alternative project of their own in the area concerned. He wondered whether there was scope for more joint projects involving shared R&D, which from the British point of view would enable us to obtain cheaper equipment from longer production runs while retaining an advanced industrial base of our own. If this was not a realistic option because of the attitude of the US Congress he would prefer to be told this frankly and then not to pursue the idea further. Mr Weinberger said that there had been conspicuous examples of effective co-operation and he would be very happy to look at areas in which joint projects might be feasible. This had to be done against the background of the reality that US industry could put pressure on the Congress in particular cases which ultimately the Administration could not overcome. It was agreed that the best way to tackle the problem was by a meeting between procurement experts on both sides to review the possibilities rather than by establishing some new form of machinery.

11. In further discussion, Mr Perle drew attention to the importance of focussing on realistic prospects since attempts to co-operate which subsequently failed were very damaging to the Alliance. It was important to take account of the other side of the equation which was to ensure that information shared between allies did not reach the Soviet Union. The Congress had proved very difficult in the past over joint projects such as JP233. It would strengthen the Administration's hand to secure influential Congressional backing if they could say that they were co-operating with the British because they took a very strong line on technology transfer to the Soviet Union. Within the British Government, the Ministry of Defence was very sympathetic to this problem but other Departments appeared to be less so. The COCOM machinery was inadequate to deal with the problem since it had no coherent policy which could effectively withstand national industrial pressures. It needed underpinning with experts in military research and development who could help COCOM to develop a collective view of where the future risks to our security lay. This was why his Government had pressed for a new Sub-Committee. He believed the German Government would go along with this approach if the British Government supported it. The Secretary of State commented that we continued to take the view that the right way forward was to involve experts in national capitals when Governments were formulating the line to take in COCOM. The problem had to be addressed in ways which recognised the political and industrial realities in all Alliance countries.



12. The meeting ended at 1145.

13. During the lunch hosted by Mr Weinberger which followed the meeting, the US side raised the question of accommodation charges. The Secretary of State explained, that notwithstanding the difficulties presented for us, we were willing to reach a compromise on the lines which had been proposed. Mr Blelloch said that we would reluctantly accept the following package: prompt payment, a 50% reduction in rent, both of these changes to be introduced together from 1st October, and no action on residual values. This statement was noted by the US side. The US side also raised the question of the arrangements for the Atlantic Undersea Test and Evaluation Centre. The Secretary of State said that he had not yet seen the papers on this issue and would consider them on his return to London.

*R.M.*

Ministry of Defence

16th September 1983

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