



(2)
This attached
won't do at
all.

10 DOWNING STREET

Prime Minister ^{not here}
SDI Research ^{has done nothing}

You might want to
take a first look at
this, which will come
to OD next week.

Its a bit

curate's egg : 1

am not sure why we

need the European

aspect as well as the

bilateral arrangements with

the US

CDP 5/7

010
W0536

THE PRIME MINISTER

10 July 1985

MEETING OF OD AT 9.00am FRIDAY 12 JULY - SDI RESEARCH:
UK PARTICIPATION (OD(85) 15). FLAG A.

Whether or not SDI succeeds in its strategic aims, the very large US spend will produce substantial technical advances in areas of importance to conventional defence and to civil industry. The MOD analysis of these areas of potential spin-off (Annex A to the paper) is a good one, though I believe it overemphasises fusion and underestimates the relevance of laser technology to industrial processes.

2. Participation in SDI research will make substantial demands on scientific manpower in areas where UK resources are already under pressure eg computing and communications. There is therefore a real resource cost to the UK, but we really have no choice. The US alone does not have the expertise and the 40,000 scientists and engineers which SDI requires. Some of the resources must come from the UK and other countries either through hijacking of individuals and groups under US initiative and US terms or in a way in which the foreign country retains some control and bargaining power. The Secretary of State for Defence rightly prefers the latter route and I support his proposal for a Participation Office. But it should include DTI and DES representatives. The importance of SDI technology is too broadly based to be left solely to the MOD - for example the negotiation of rights to use the technology generated by our research for civil purposes is a special responsibility of DTI. There will also need to be careful monitoring of potential overlap between SDI and the Eureka programme.

3. As far as our European partners are concerned, I find the Secretary of State's proposals very feeble. We have a unique and hard won position of being the only country with a respected and trusted position on defence science and technology with both the US and Europe. We should exploit this position ruthlessly - as our continental partners surely would if the positions were reversed. The Secretary of State's proposals to 'share in full' in a European 'pool of information' are charitable in a way we can ill afford for conventional defence equipment, let alone

SECRET

industrially. Instead we should bargain with European countries for a commercially realistic exchange of technology and avoid any commitment to disclose everything.

3. I am copying this minute to Sir Robert Armstrong.

RBN

SIR ROBIN NICHOLSON
Chief Scientific Adviser

SECRET

