

SECRET



107 cc ft
18.

MO 14/2

RECORD OF A MEETING BETWEEN THE DEFENCE SECRETARY AND MR CASPAR WEINBERGER, THE US DEFENSE SECRETARY, AT THE PENTAGON ON 22ND JULY AT 1230

Those present:

The Rt Hon Michael Heseltine MP
Secretary of State for Defence

The Hon Caspar Weinberger
US Defense Secretary

Sir Oliver Wright
HM Ambassador, Washington

Major General C Powell

Mr R C Mottram
PS/Secretary of State

Background to the Visit

1. The Secretary of State thanked Mr Weinberger for receiving him at short notice. The primary purpose of his visit was to discuss British participation in SDI research and the modernisation of the Ballistic Missile Early Warning System (BMEWS) at Fylingdales. These raised complex issues which he had thought it easiest to explain face to face in a frank way. These issues had to be seen not only in defence terms. There was the wider political dimension of being able effectively to deal with Opposition criticism that both SDI and BMEWS served American rather than British interests and that there was no tangible benefit to Britain from our close defence relationship with the United States. While he could readily deal with the vocal left wing opposition on these issues, there was a more widespread concern particularly over the widening technological gap between the United States and Europe and over the balance of defence equipment expenditure across the Atlantic.

2. The Secretary of State then deployed his approach to SDI participation as in his separate minute of 23rd July to the Prime Minister.

3. Turning to the question of the modernisation of the BMEWS at Fylingdales, the Secretary of State said that the British Government wished to proceed with modernisation, as he had already told Mr Weinberger at an earlier meeting. But this would not be without political cost. There would be arguments that modernisation infringed the ABM Treaty. While he knew this not to be the case, political capital would be expended in refuting it. The British Government would not only be making a contribution to the capital costs but would bear all of the

SECRET



running costs of some £10M a year. Against this background, it was not sufficient for the British role in the project to be confined to building work at the site. We needed also a share of the higher technology work associated with the radar itself. He recognised that the Fylingdales radar was one of a series for which it made economic sense to appoint the same prime contractor. But he believed that Britain could play a part as a sub contractor for some 30% of the American share of the project. This would not in itself be sufficient evidence of an equitable partnership and he therefore further proposed that Britain should play a major part in the Over-The-Horizon (OTHR) radar project. He believed that there should be a British main contractor for the radar planned to give coverage of the Norwegian sea and he hoped that that contractor would have the opportunity to supply some of the equipment which went into equivalent radars to be constructed in the United States. Mr Weinberger said that he was happy to look further at this proposal. He guessed that practically the DOD had already reached the point of awarding the contract for the Fylingdales radar but they could look at the scope for sub contracting. This could run into legal and contractual difficulties but something might be manageable on a small scale. They would have to ask the experts about the OTHR project.

MSE

4. Mr Weinberger confirmed that the timetable for a decision had slipped back and it was now likely to be taken in August. The Secretary of State said that, in evaluating the competing projects based upon British and French technology, he hoped that the US Administration would have in mind wider aspects of the defence relationship between the US and the two contender countries. The United States enjoyed a much more favourable balance of defence equipment trade with Britain. The British Government had given its support to research under the strategic defence initiative whereas the French openly opposed SDI. We were also always very ready to play our part in helping the United States when this was necessary. We had, for example, made available facilities in Cyprus during the recent hostage incident, while recognising that this could have put British lives and interests at risk. Mr Weinberger interjected that he was most grateful for the role that the British Government had played which was very gratifying. The Secretary of State added that this was not of course a one-sided matter. Although he had not himself been personally concerned at the time, he knew how much the British Government had appreciated the assistance which had been so readily given by the US Administration, and by Mr Weinberger himself personally, during the Falklands conflict. He mentioned it only as an indication of the way in which Britain and America worked together.



Arms Sales to Argentina

5. The Secretary of State said that he could not over emphasize the reaction which would result should the US Administration agree to the delivery to Argentina of Skyhawk aircraft from Israel. Argentina had refused to agree to the end of hostilities. She had rebuffed efforts to improve relations including a negative response to the lifting of trade restrictions. The British people would not understand a decision to transfer an offensive capability to Argentina. Mr Weinberger said that he was aware of the points which the Foreign and Commonwealth Secretary had made to Ambassador Price. There was a view in Washington that President Alfonsín needed to be helped and backed up in Argentina. Lots of people in Washington were pushing for the change of policy. He himself was conscious that Argentina had not ended the war and that the Skyhawk capability was not entirely defensive. He suggested that it was important for the British Government to put over unequivocally its position at the highest levels in the US Administration.

6. The restricted meeting ended shortly after 1 pm and was followed by a working lunch at which amongst others Sir Clive Whitmore, Professor Norman, and Mr Fielding were present on the British side and Dr Ikle, Mr Perle and General Abrahamson on the US side.

7. The further discussion of SDI participation followed the lines already separately recorded.

8. On BMEWS modernisation the Secretary of State referred again to the problems involved in selling the project to the British public and showing some tangible benefits as part of this. He had to offer British industry something other than concrete pouring and hoped that £60M of work on the higher technology aspects would go to British contractors with further benefits from their contribution to the OTHR project. Mr Perle said that the sub contracting we had in mind made sense. Raytheon could be given a list of contractors who could participate in defined areas and asked to put work their way. The British and American sides should sit down straightaway to see what could be done. Mr Weinberger proposed that the issues of SDI participation and BMEWS modernisation should be handled by two small working groups with tightly drawn terms of reference to see what the difficulties were in what the British side had proposed. The Secretary of State welcomed this. He emphasised that the two issues were not linked in our view: we were not making agreement to BMEWS modernisation conditional upon the outcome of the separate discussions on SDI participation. He hoped that progress could be reached very soon.



9. Mr Weinberger emphasised the importance he attached to improving conventional defence. The Secretary of State said that this had his absolute support. He was working to this end in a number of areas including switching Service manpower from support to the front-line and improving value for money in defence procurement by more competition and by the harmonization of requirements and co-operative development and production. He was grateful for the constructive role which the US Administration was playing on equipment co-operation.

10. Sir Oliver Wright said there was a problem over standardization which he wished to raise concerning JTIDS. He understood that the US Air Force and the US Navy were procuring JTIDS equipment and were now considering standardizing on a single basis. It was important that, in doing so, they standardized on the equipment which the British forces were also procuring. It was agreed that Mr Perle would look into this.

SDI Briefing

11. While there was a preliminary discussion between officials on the follow-up to the discussion on SDI and BMEWS, the Secretary of State, at Mr Weinberger's suggestion, was given an intelligence briefing on the Soviet approach to SDI. The first part described Soviet research on strategic defences over many years: it said nothing new. In the second part a briefing was given on reasons why the Soviet Union might be so opposed to the United States SDI. It was argued that a clear theme in Soviet defence policy for many years had been the need for a first strike counter-force capability against US nuclear assets. It was assumed that the Soviet objective was to have a .9 assurance of eliminating hard target silo based capabilities and other softer target nuclear assets. It was assumed that the Soviet Union would allocate three warheads to the hard targets and two to the softer ones and a calculation could then be made of the number of warheads need to achieve the Soviet aim in the absence of defences. Against this background the DOD were assessing the effect of a multi-layered American SDI capability on Soviet coverage of these targets, damage expectancy, assurance, and assets available in reserve after a first strike. A viewfoil was then shown which addressed the effects of an SDI capability with between 20-70% effectiveness against warheads aimed at hard targets and 45-65% against those on soft targets. This analysis showed that (unsurprisingly) an SDI at the higher end of the range of effectiveness would ensure that the Soviet Union could have only a moderate damage expectancy with low assurance from a first strike (assuming, although this was not pointed out explicitly, no change in the number of offensive weapons deployed by the Soviet Union). On the premise that this first strike was a main plank of Soviet defence policy, the conclusion was drawn that frustrating it was a major gain for the United States. It was argued that Soviet concern over this outcome provided one explanation of why the Soviet Government was so opposed to SDI.



12. The series of meetings ended at 3.20 pm.

Rn

24th July 1985

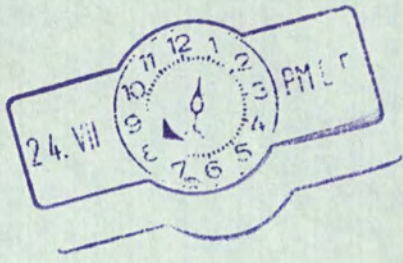
Distribution:

PS/Minister(AF)	ACSA(P&R)
PS/Minister(DP)	AUS(Systems)
PS/US of S(AF)	DG Mktg
PS/US of S(DP)	D Nuc Pol/Sy
PSO/CDS	Hd RP(S)
PS/PUS	D/DEC
PS/VCDS	Hd Sec(D Sales)
PS/CSA	D Def Pol
PS/CDP	Hd of Air(PE)5
PS/CDEC	DOR(Air)2
PS/CERN	RMD 3
PS/HDS	Hd of Sec(O) (C)
DUS(P)	
DUS(RP)	
CDI	
DCDS(Systems)	
DCSA	
ACDS(Pol/Nuc)	
AUS(DS)	

Externals:

~~PS/Prime Minister~~
PS/Foreign and Commonwealth Secretary
PS/Secretary of State for Trade and Industry
PS/Secretary of the Cabinet
Sir Oliver Wright, Washington

SECRET



SECRET