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FILE

RM

10 DOWNING STREET

29 July, 1985

*From the Private Secretary*

Dear Richard,

SDI RESEARCH

You will by now have received the records of the Prime Minister's discussions with Vice-President Bush and Secretary Weinberger on United Kingdom participation in the SDI research programme. You will see that the Prime Minister pressed hard the case for the UK to have a substantial share of the research work. But that her American interlocutors, while keen to see the UK play a substantial role and willing to discuss a comprehensive agreement to cover our participation, argued strongly that, quite apart from the legal difficulties of specific 'set-aside', it was not feasible at this early stage to put a figure on the amount of work likely to be available.

The Prime Minister attaches great importance to keeping up the momentum established by her own and the Defence Secretary's discussions with the Administration - not least to counteract the mistaken view, apparently held by the White House, that the Ministry of Defence are unenthusiastic about the United Kingdom's participation. She would like to see the joint Anglo/US group set up immediately and start work on identifying the areas in which the UK can make a substantial contribution to SDI research as well as on the terms of a comprehensive agreement. How far the group needs formal terms of reference is a matter for judgement. But the Prime Minister does not regard the draft attached to the Defence Secretary's minute of 23 July as particularly clear or helpful and would not wish it to become an obstacle to an early start to the group's work. She also has reservations about referring to the Defence Secretary's target figure for contracts in any terms of reference. She wants to be assured that we have the capability to reach the target (some doubt was cast on this by our own side in Washington). She would like to have more information on this and I should be grateful if you would let me have a note.

It would be helpful to know how the Defence Secretary proposes to proceed, and in particular how he intends to reply to Secretary Weinberger's letter (an advance copy of which was attached to the record of the Prime Minister's meeting with him).

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I am sending copies of this letter to the Private Secretaries to members of OD, E(A), Rob Smith (Department of Education and Science) and Richard Hatfield (Cabinet Office).

Yours sincerely,  
Charles Powell

(C.D. Powell)

R. Mottram, Esq.,  
Ministry of Defence.

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