SECRET

PRIME MINISTER

CAMP DAVID

I attach:

- (i) a revised speaking note, based on our discussion earlier this evening; and
- (ii) a revised draft of the sort of press statement which we would like to see emerge.

C D?

Charles Powell
13 November 1986

SECRET

Agree

Absolutely right to refuse to bargain away <u>SDI</u>. Essential US should go ahead with research and testing within ABM Treaty. Soviet Union must not have a veto.



Agree priority now to negotiating an <u>INF</u> agreement on the basis discussed at Reykjavik (though our preference would still be an interim agreement which left some Cruise and Pershing). Reject Soviet attempts to link this to other issues. An agreement must be subject to effective verification and action to deal with short-range systems.

Agree

Also support deep <u>reductions</u> (50%) in <u>strategic nuclear weapons</u>, again subject to strict verification.

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But one aspect of your proposals about which I am seriously worried. That is the proposal to eliminate strategic ballistic missiles within ten years, without reference to the conventional balance.

chemich imbalance short range nuclean imbalance elkers on fundamental beautybecame of 4550 white advantages Respect vision of moving towards a less dangerous world with far fewer nuclear weapons. But movement towards this goal has to be such that <u>our security</u> is not endangered at any point in the process. We have to keep up our guard. Dealing with a dangerous and determined opponent whose long-term aims have not changed.

Communi- in reson the gain - Inton the

Total elimination of ballistic missiles would undermine current NATO strategy and leave Europe exposed to superior Soviet conventional forces and chemical weapons. I show range rules forces and chemical weapons. I show range rules forces and of come as the everywheen the super south 1600 rules of Soviet Union - less of you like the account still combined.

The <u>conventional and chemical imbalance</u> is a fact, frequently confirmed in the United States own assessments (2 to 1 in tanks, 3 to 1 in artillery, 2 to 1 in tactical aircraft). SDI is not relevant to this conventional imbalance.

There is no practicable prospect of the Europeans closing that conventional gap. Their much more likely reaction is to turn towards accommodation with the Soviet Union: the so-called <u>Finandisation</u> of Europe.

Moreover there is no feasible way of verifying the abolition of ballistic missiles. You could never trust the Russians. There would always be the risk that they would conceal some.

CANT trust Russians when lating a few lands or comments out of Ghamilar - Surely you would not trust them but ballished missiles.

There is also the aspect of <u>consultation</u>. There is growing criticism in Europe of the US failure to consult on this particular proposal, which amounts to a fundamental change in Alliance strategy. The Russians will exploit any divisions to the utmost.

If we go beyond the 50% cut towards the abolition of ballistic missiles and neglect the vast conventional and chemical imbalance, we shall <u>inflict major damage</u> on NATO, on Western Europe's security and, by extension on the United States' own security. If Europe falls, what the Russians call the correlation of forces in the world would have moved irretrievably in their favour.

Until the conventional imbalance can be levelled down, and we can be sure of a strategic defence system which works, we must have effective nuclear deterrence.

That deterrence requires ballistic missiles as one element. We have done very thorough military studies which show that you cannot rely on Cruise missiles alone for deterrence. We should be happy to share the results with your Joint Chiefs.

In military terms <u>Cruise missiles</u> lack the penetration and the range of ballistic missiles. They would create a less stable deterrent. And they would be more costly, both because of the numbers which would be required and the need for associated air defence against Soviet Cruise missiles. They would also undermine Europe's trust in the validity of the US nuclear guarantee.

Above all you have to consider the <u>effect of your proposal on pro-American governments</u> in Europe and particularly in the UK. The political effects could be devastating and bring to power governments which would remove American bases and weapons and reduce your security.

We would much prefer it if you would <u>drop the ten-year goal for eliminating ballistic missiles</u>. Even if it is unlikely to be achieved, just talking about it is deeply unsettling in Europe. At the least, we hope you will explicitly make further cuts in ballistic missiles beyond the 50% conditional on redressing the imbalance in conventional forces.

chemical

We would also like you to <u>reaffirm your commitment</u> to <u>nuclear deterrence</u> as the basis for the Alliance's strategy, at least until there is something better to put in its place (Churchill quote).

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Every new determs calls forth 2 no counter defende .

The property was blanch them.

Most important in political terms, it would help if you would reaffirm your intention to proceed with your own strategic modernisation programme, and confirm your support for the supply of Trident to the UK under current arrangements.

"BE CAREFUL ABOVE ALL THINGS NOT

TO LET GO OF THE ATOMIC WEAPON UNTIL

YOU ARE SURE, AND MORE THAN SURE,

THAT OTHER MEANS OF PRESERVING PEACE

ARE IN YOUR HANDS."

[Winston Churchill in his last address to the United States Congress].

Visit to Washington: Other issues

Gordievsky

Grateful for efforts over family.

Arab/Israel

Important that, as well as dealing firmly with terrorism, the West should be seen to be active in promoting an Arab-Israel settlement.

Acknowledge with gratitude US efforts to date. Hope you will now mount a fresh effort, centred on

(a) launching an international conference; and

(b) a statement by the US of support for Palestinian

self-determination to be realised in the context of confederation with Jordan.

Have prepared a note of what we have in mind.

South Africa

Grateful for your efforts to resist sanctions. Hope you will continue to resist mandatory sanctions at the UN.

Don't think the moment is ripe for any sort of political initiative on South Africa. But agree that US, UK and FRG should consult very discreetly, so as to have

ideas ready when the moment comes.

Terrorism

Grateful for US support over Syria. Extent of any further measures of course up to you. See some advantage in keeping open a US link to Syria in context of efforts to promote an Arab-Israel settlement.

Interested in anything you want to tell me on Iran. Clearly a very difficult situation in which you have our sympathy. Our policy unchanged.

Arms Sales to Argentina

Matter of great political sensitivity to UK. Vital that US should not agree to sale of A4 Skyhawk aircraft from Israel.

Falklands Fisheries

You know the arguments.

EC/US Trade Measures

Worried about protectionist measures on Superfund legislation, fees for customs users. Buy American provision for Defence Department procurement of machine

tools. Will cost UK some \$250 million in 1987. Urge

Administration to remove discriminatory provisions urgently.

- Gordievsky
- 2. Gratitude for measures on Syria
- 3. Iran
- 4. Even stronger case for new efforts in Middle East
- 5. South Africa
- 6. Arms for Argentina
- 2. SALT Limin.

Camp David, Nov. 1986