PRIME MINISTER



ARMS CONTROL

I attach a message from President Reagan which came in this morning. It is not a direct response to your recent message on arms control though it covers much of the same ground. Its principal focus is INF. On this it sets out (on pages 4 and 5) a new US proposal which it is intended to put to the Soviet Union. (I am told on the telephone by an irreverent White House friend that it is called the Stewardess option because it was invented on the plane on the way back from Grenadal)

The new proposal contains important reassurances for us. It makes clear that the United States will have no truck with efforts to link reductions in INF to constraints on the United Kingdom and French deterrents. It insists upon a ceiling for shorter-range INF. On the crucial question, whether to go for an interim agreement or a zero-zero option; the proposal in effect comes down in favour of both. It suggests reductions to 140 launchers each by the end of 1987 (ie, President Reagan's proposal of last autumn, which we wanted) with concurrent proportionate reductions in Asia. The following year there would be a further 50 percent cut, with total elimination of INF by the end of 1989. This seems to me at first glance to offer plenty of scope for negotiation and the option to stop, or at least pause, at the first stage. It is thus distinctly better than the proposal that Ambassador Nitze put to you. I imagine that, politically, we shall want to support it.

I have asked the Foreign Office and Ministry of Defence for a draft reply early next week.

C.D.P.

(C. D. POWELL)
22 February 1986

CDWADO



10 DOWNING STREET

From the Private Secretary

22 February 1986

Dear Lev.

I enclose a copy of a message to the Prime Minister from President Reagan received this morning. You will note that we are particularly asked to make no public reference to it.

The covering letter stresses that the President's reply to Mr. Gorbachev has not yet been delivered. I imagine that the purpose of saying this is to allow time for any further comments which members of the alliance wish to make. We ought, therefore, to aim to reply to the message early in the coming week. I should be grateful for a draft.

You have discretion to copy the message to the Embassy in Washington in strict confidence.

Sicerely

I am copying this letter and enclosure to Richard Mottram (Ministry of Defence) and Michael Stark (Cabinet Office).

(C. D. POWELL)

Len Appleyard, Esq., C.M.G., Foreign and Commonwealth Office.



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PRIME MINISTER

ARMS CONTROL

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C.D.P.

(C. D. POWELL)
22 February 1986

SRWAPQ

Mufaxed sefco to PM COP 22/2 Sen Dityclock EMBASSY OF THE UNITED STATES OF AMERICA LONDON February 22, 1986 Dear Prime Minister: I have been asked to pass to you immediately the enclosed letter from President Reagan which was received at the Embassy today. The President hopes that this letter can be particularly closely held. For the time being, we would be grateful if your Government would avoid any public reference to the fact that the President has written. In the spirit of our other consultations about Geneva, the President is also writing along the same lines to the leaders of a number of other Allied and friendly nations. You should be aware -- and I have been asked to stress -- that the Presidential letter to General Secretary Gorbachev has not been delivered. With best wishes. Sincerely,

Charles H. Price, II

Ambassador

Enclosure:

SECRET

Prime Minister,

The Rt. Hon. Margaret Thatcher, M.P.,

London, SW1.

Number 10 Downing Street,

PERSONAL MESSAGE SERIAL No. T 37 86

Dear Margaret:

I have read with great care and interest your comments on my initial thoughts concerning a possible move in Geneva. As always, you have cut directly to the basic issues at hand, and provided me with both excellent advice and personal support. I want to assure you that the points that you raised on the need both to reject Soviet efforts to constrain British nuclear forces and to maintain the credibility of NATO's current nuclear deterrent capability have always been very much in my

Exchanges with our friends and Allies have reconfirmed for me the special value of quiet, candid dialogue on these basic issues of common concern. For my part, I welcomed the ideas and insights that we have received as a result of these consultations. They have served as useful contributions to my own thinking.

Throughout these recent consultations, I was impressed by the continued strength of support for our basic arms control objectives and, in particular, for our negotiating efforts at Geneva. Our success in bringing the Soviet Union back to the table and in achieving any real movement toward our shared goal of major offensive nuclear arms reductions results in good measure from firm diplomatic backing on the part of our friends and allies for our negotiating position. Your own support and understanding will continue to be critically important as we seek meaningful progress in the Geneva talks during the months to come.

My personal hope is for success in these negotiations, thus creating a more stable strategic environment. This will require more than just the reduction of nuclear weapons, and efforts toward their ultimate elimination. It must also address the conditions that have made these weapons necessary. To achieve that goal, I strongly believe that, in addition to our efforts in Geneva, we will need significant progress toward correcting conventional and other force imbalances, ensuring full compliance with existing and future treaty obligations, achieving peaceful resolution of regional conflicts in ways

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that allow free choice without outside interference, and obtaining a demonstrated commitment by the Soviet leadership to peaceful competition. Until then, nuclear deterrence must remain fully effective, as long as it is the only workable means for preventing war and guaranteeing our security.

We obviously agree that many of the specific elements of Mr. Gorbachev's proposal are deliberately designed to preserve and strengthen Soviet military advantages and are inimical to our common security interests. At the same time, there also appears to be general agreement that we should use this current opportunity to advance our arms control goals and objectives and to explore with the Soviets those areas where there is a possibility for progress on mutually acceptable terms.

Accordingly, I will be responding to Mr. Gorbachev by noting that I am pleased that he is prepared to work with me toward an ultimate goal of eliminating nuclear weapons. In doing so, however, I will emphasize the many steps that must be taken in other areas affecting our security before the actual attainment of a nuclear-free world could become possible, or even desirable. I will stress the need for concurrent progress in improving the stability of the overall East-West security balance, with particular emphasis on steps to redress existing conventional imbalances, a verifiable, global ban on chemical weapons, new confidence-building measures, and a stronger nuclear non-proliferation regime.

I will also make clear that the first steps of nuclear arms reductions must be taken bilaterally by the U.S. and the Soviet Union. Consistent with the joint statement which Mr. Gorbachev and I agreed on in Geneva, our immediate focus must remain on the prompt accomplishment of these first steps, especially the implementation of the principle of 50 percent reductions, appropriately applied, and an interim INF agreement.

I will tell Mr. Gorbachev that only when our first bilateral steps have been completed could we envisage subsequent multilateral steps. At this time I see no reason to address specific steps beyond those initial reductions which are appropriate only for bilateral U.S.-Soviet negotiation. Rather, our priority should be to enable our respective negotiators in Geneva and other relevant fora to achieve early progress on the immediate issues at hand. The U.S. can make no commitments for other nuclear powers, nor can we agree to any

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bilateral U.S.-Soviet arrangement which would suggest otherwise. I will remind Mr. Gorbachev that the other nuclear powers have made known their own views on this point and on the progress necessary in U.S.-Soviet nuclear reductions and in other arms control areas which would establish the conditions for them to consider whether and how their security interests might be served by participation in future negotiations.

I believe we have all been disappointed that the Soviet Union has chosen not to demonstrate any constructive movement in either START or defense and space matters. Indeed, the Soviets appear reluctant even to address fully our own proposals in these areas made only last November. The U.S. negotiators put forward those proposals in an effort to meet the legitimate concerns of both sides and as a possible basis for negotiation of a mutually acceptable agreement within START. In light of the lack of positive Soviet movement in this area, I am not introducing any changes in our START position at this time. In the defense and space area, our negotiators will be instructed to reaffirm that limits on research into strategic defenses, which the Soviet Union continues to demand, cannot be verified and would not serve Western security interests.

I believe that the most appropriate area in which we can and should test the Soviets is in INF. As we have discussed in our consultations, the Soviets have broken some new ground with their new INF position. At the same time, however, they have put forward unacceptable conditions — both new and familiar — for an INF agreement. These include their continued refusal to address the need for reductions in SS-20's deployed in Asia, their failure to address the problem of constraining SRINF missiles, and their insistence on limitations on third country systems as a prerequisite for the elimination of U.S. and Soviet LRINF missiles in Europe.

In deciding our next steps, I am acutely sensitive to your special concerns. On the basis of our extensive discussions with Allies and friends in both Europe and Asia, I believe that it is critically important that our response to the Soviets on INF not only take advantage of their stated willingness to eliminate their LRINF missiles, at least in Europe, but also reaffirm certain basic and long-standing principles of our own, particularly:

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--Our insistence on equality of global rights and on reductions and limitations on LRINF missiles on a global basis;

-- The unacceptability of linking bilateral U.S.-Soviet reductions to third country forces;

-- The need for appropriate accompanying constraints on SRINF missiles: and

-- The critical importance of measures for effective verification.

Therefore, with regard to INF, I am informing Mr. Gorbachev that in response to the Soviet offer of a near-term, zero-zero outcome in Europe, an offer they formulated in the context of unacceptable limits on British and French nuclear deterrents and without any reference to their sizeable forces in Asia, we will offer a proposal that would permit a zero-zero outcome both in Europe and in Asia by the end of 1989. Therefore, I will propose the following concrete plan to achieve this aim.

--By the end of 1987, the United States and the Soviet Union would limit their land-based LRINF missile deployments in Europe to 140 launchers each, with the Soviet Union making concurrent proportionate reductions in Asia.

--Within the following year, both sides would further reduce the numbers of LRINF missile launchers remaining in Europe and Asia by an additional 50 percent. Finally, both sides would move to the total elimination of this category of weapons by the end of 1989.

--Associated with this plan, there would be a parallel series of global LRINF missile warhead ceilings under which the U.S. retains the right to global equality. As Soviet SS-20 launchers are reduced, the launchers and their associated missiles and warheads would be destroyed. U.S. systems in excess of the launcher limits cited above could be withdrawn to the U.S. unless, or until, they were also in excess of the equal global warhead ceiling associated with the launcher reductions then being implemented, in which case they would be destroyed (while protecting a right to convert Pershing II missiles to Pershing I missiles).



--Also, under this plan, unless otherwise agreed, Soviet reductions in both Europe and Asia would be concurrent and proportional. However, in the context of such a far reaching agreement (i.e., an agreed date for global elimination of LRINF missiles and the achievement of deep reductions in LRINF missiles globally, without regard to the forces of other nations), the United States would also be prepared to consider proposals which would result in the elimination of LRINF missiles in both Europe and in the Far East together somewhat ahead of the schedule for their elimination globally.

-- These reductions and limits would involve U.S. and Soviet systems only. There would be no agreed constraints on the forces of the United Kingdom or France.

--These reductions would also be associated with an equal shorter-range INF (SRINF) ceiling at current Soviet levels or to freeze SRINF at both sides' January 1, 1982, levels. This ceiling would be fully implemented by the end of 1987.

--Finally, the United States will propose specific verification procedures tailored to the specific weaponry limits we seek. These details will be presented in the context of a comprehensive verification regime which includes the use of national technical means of verification and cooperative measures between the two governments such as on-site monitoring/inspection and data exchanges.

I am, of course, cognizant of the courageous efforts made by Alliance members to achieve the successful implementation of the "dual-track decision" in both its aspects. Needless to say, we stand by that decision and do not wish to undo the security benefits which it represents.

In conjunction with stringent verification measures, we believe that the numerical and geographic constraints on Soviet SS-20s in our proposal would practically negate the LRINF missile threat to the Alliance, and move substantially toward ultimate elimination of the entire category of systems which has so aggravated the security problems of our European and Asian friends and allies. By insisting that Soviet reductions to 140 LRINF missile launchers in Europe would have to occur before the U.S. would begin reductions below that level, we

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seek to avoid near-term political problems, and to ensure that at no point during the reduction process would the Soviets be able to achieve a lasting advantage.

I welcome Mr. Gorbachev's implicit recognition of our long-held position that verification of negotiated agreements is critical and that it is vital that any new arms control accords incorporate stringent verification measures, including measures more comprehensive and exacting than in any previous agreement. Our negotiators in Geneva and elsewhere will be instructed to pursue and explore the implications of Mr. Gorbachev's public statement dealing with on-site inspection and other cooperative measures that might be necessary.

I will also underscore to Mr. Gorbachev the importance that the U.S. and its Allies continue to attach to early progress withing the ongoing multilateral MBFR and CDE talks, as well as CW negotiations at the CD. Taking note of his positive public references in this regard, I would make clear that Soviet negotiators in these fora have yet to meet basic Western concerns. In seeking an agreement in Stockholm, we will look to the Soviets to adhere to the Madrid mandate and to respond positively to our verification requirements. In MBFR, we are still hopeful that the Soviets will respond constructively to NATO's December 1985 proposal, particularly as it relates to verification. In that regard, we are disappointed that their February 20 presentation does not constructively address our concerns. On CW, we remain committed to progress towards agreement on a global ban and have intensified our discussions with the Soviets to that end.

I hope you will agree that the approach I have set out above, including our new INF initiative, is responsive to both the suggestions and the concerns which have been expressed to us over recent days by our friends and Allies. We frankly believe that a response built around these basic elements will fully protect our shared interests while permitting us to explore whether the Soviet proposals present any opportunities for real progress. The extensive consultations which we have just conducted have only served to strengthen my conviction that we are on the right path. Once again, I want to express my deep appreciation for your collaboration and support in this endeavor.

Sincerely,

/s/

Ronald Reagan

SECRET