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I hope to get you a GH - approved version by c. 1745.

FOREIGN AND COMMONWEALTH OFFICE SW1A 2AH PRIME MINISTER'S VISIT TO US, 14/15 NOVEMBER

#### SUMMARY OF KEY POINTS ON ARMS CONTROL

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- 1. Build on Reykjavik by pressing for early INF agreement and 50% cuts in strategic forces.
- least further cuts in latter, let alone total elimination, but be stated as conditional on redressing conventional imbalance over same period.
- 3. Ballistic missiles necessary to provide essential element of deterrence. Hard to believe elimination in either US or Europe interest: on the contrary, likely outcomes of current US proposal damaging to Alliance.

  Note JCS study in progress: UK ready to contribute.
- 4. US need to improve handling of Allied concerns, lest Russians exploit even more. Consultation on results of JCS study just one example.
- 5. SDI research not to be used by Moscow as obstacle to strategic agreement. US work to continue, within restrictive interpretation of Treaty. Way out of impasse needed. Some UK ideas.

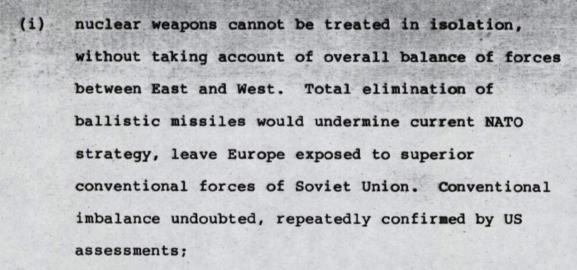
## PRIME MINISTER'S VISIT TO US, 14/15 NOVEMBER

- I KEY POINTS ON ARMS CONTROL
- A. Way Ahead at Geneva [see also paras 10-15, Section II]
- 1. Reykjavik created new areas to build on. Not too discouraged by Soviet back-tracking. But will need fresh US thinking, and sustained Allied support. In particular, must pursue early INF agreement, delinked from rest of package.

#### B. Strategic Arms

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- 2. Should press Russians hard for 50% cuts. Admirable target, fully acceptable to UK. But crucial that further cuts in and especially total elimination of ballistic stated to be missiles conditional on redressing balance in conventional forces over same time-span.
- 3. In March 1983 President spoke of elimination of ballistic missiles taking decades. During recent campaign spoke of this as "ultimate" objective. Do not disagree. Urge specific ten-year goal currently applied to ballistic missiles be dropped. Must be made conditional on elimination of conventional imbalance. [See para 10 below for relationship to SDI issue.]
- 4. Following reasons:



- (ii) far from convinced by claims that air-breathing systems can alone carry burden of credible deterrence [see paras 4-7, Section II].
- (iii) question whether total elimination in US interest.
  - Cost of substituting other systems, and of air defences in which Russians lead;
  - risk of technological surprise added to other
     new threats to strategic stability;
  - US still at risk from other systems, more effective than at present. Propose UK views to be fed into US military studies, and consultations on their completion;
- (iv) wider political points, not directly relevant to JCS study. Ballistic missiles exert key political leverage. What implications for US economic and regional interests (including those in Western Europe) if that leverage no longer available?
- (v) SDI results so far interesting. But can we be certain that will produce over next few years basis for total confidence in ten-year goal? Managing period of research safer and easier if not burdened by dubiously precise target.

- 5. Foresee four outcomes, all dangerous to US and Western interests:
- (a) elimination will not happen because Russians refuse.

  But severe damage to West in meantime by:
  - dividing Europe from US
  - weakening basic structure of Alliance
  - jeopardizing public support for nuclear weapons
     needed now
  - damaging in particular those governments who pursue strong defence policies and have proved loyal to US.

Result will be opening of genuine window of opportunity for Moscow.

- (b) elimination will not take place because Russians will continue to insist on unacceptable conditions linking it to SDI. <u>But</u> same damaging effects as above, across political spectrum;
- (c) elimination only in West, because of reduced public support;
- (d) ballistic missiles will be eliminated but threat to US from advanced air-breathing systems (and to Europe from range of systems) will not be reduced.

  Decline in credible deterrence, no noticeable gain to US security.
- 6. Deeply concerned about current Administration approach. Cannot conceal growing criticism in Europe of US negotiating position and performance. Must not underestimate degree of concern at what is seen as fundamental change in allied strategies without

consultation. Increasing impression that US no longer prepared to listen to Allies (Shultz 4 November message to Foreign Secretary only most recent example). Already clear from their public statements and from private reports that Russians will exploit this situation to utmost.

#### C. SDI

- 7. As said in February, increasingly clear that some agreement necessary on handling SDI/Soviet equivalent over research period if deep cuts in strategic arms (and probably in other areas) to be agreed within next two years.
- 8. Some Soviet concerns about SDI apparently genuine.
  Recognise leverage US research therefore provides at
  Geneva. Continue to support this research, within
  restrictive interpretation of ABM Treaty.
- 9. But current impasse threatens prospects for major cuts in strategic arms, which not only historic achievement but crucial to successful deployment later of strategic defences. US previously set out two possible approaches to reducing nuclear weapons:
- negotiating their removal; and
- using the hope of SDI to compel their obsolescence.
   Second option not to become obstacle to pursuing the first.

- 10. Moreover, current US proposal for 10 year ABMT withdrawal period produces simultaneous problem over time-table for ballistic missile elimination. Recognise need to give Russians some reassurance over research period, predictability against sudden break-out. But present linkage neither productive, nor helpful to wider Western interests.
- 11. Therefore suggest that two sides should pursue agreement which would:
- (i) endorse restrictive interpretation of Treaty as basis for future research for a period of years to be negotiated; and
- (ii) thereafter, guarantee no sudden break-out by either side.

This would <u>not</u> mean Soviet veto over potential US deployments any more than the present Treaty arrangements do. But would rob them of argument that they were being asked to endorse deployments now.

- 12. In addition propose that US should explore with Russians:
- Soviet readiness to accept legitimacy of some forms of development and testing outside laboratories, as their latest Geneva proposals suggest; and
- (as implied in "open laboratories" proposal) conduct on mutual monitoring basis of respective research involving such development and testing outside laboraties.

13. In short, not seeking to constrain continuation of research designed to establish whether some more secure form of Western defence strategy possible. SDI research should continue. But essential to prevent Russians using it as an obstacle to substantive arms control agreements, and to avoid it creating new difficulties for Allied interests. Believe President still well-placed to use personal skills and negotiating strength to find way through dilemma, provided Russians share objective of historic agreement.

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- II. ARMS CONTROL: OTHER POINTS TO MAKE
- Annex for relevant statistics].

  Fanciful to suggest that imbalance can be redressed by simple increase in defence spending in West. Taking US first, how far Congress now likely to accept significant increases in defence spending over next five years, in light of performance by 99th Congress in handling DOD requests? HMG strenuous efforts over past seven years to strengthen defence posture, much success, real increase in spending of around 20%. But same level of effort no longer practical.
- 2. Unimpressed by unexplained US claims that imbalance is not so serious. Argument previously advanced by Left-wing circles in Europe (and Soviet Union), firmly rebutted by solid US/NATO assessments, eg "Soviet Military Power". Cooking the books does not affect the real balance.
- 3. Younger generation. Need to respond to their views.

  Agree must hold out prospect of deep cuts in nuclear

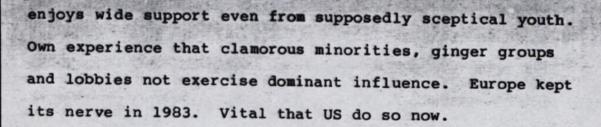
  weapons and hope for future beyond (as we do for

  eliminating poverty, disease and other ills). But wrong

  to under-estimate realism and sophistication of

  best-educated generation ever. Note in UK recent polls

  suggest HMG's defence policy (including nuclear element)



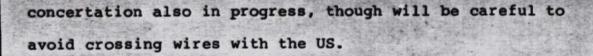
- 4. Air-breathing systems [see also MOD technical paper]. Question whether can provide adequate deterrence. Many disadvantages, apart from technical characteristics of penetration and survivability:
- cost of replacing ballistic missiles with atmospheric systems;
- cost of providing defences against equivalent Soviet threat;
- danger of reliance on single set of systems;
- Russians already well ahead in air defence systems;
- threat to US from eg SLCM could be upgraded sharply.
- 5. Static analysis no substitute for dynamic assessment: cruise missiles of decade hence could be stealth-designed, supersonic and/or mirved. More capable of hitting Soviet targets. But same applies to US targets, more vulnerable than Soviet equivalents.
- 6. Net result will be less stable strategic balance, less credible deterrence and greater risk of Soviet miscalculation. Severe risk that shift to air-breathing systems would jeopardize European trust in validity of US nuclear guarantee. In 1970 US believed well ahead of Soviet Union in mirv technology. Refused to accept constraints on this in SALT I. Five years later,

Russians caught up and overtook Americans, expanding ballistic missile force well beyond US assumptions. Every reason to avoid re-run this time.

- 7. Above points link together. If effective deterrence to be maintained at every stage, necessary to make judgements about:
- relative future effectiveness of offensive/defensive developments affecting air-breathing systems;
- likelihood of achieving verifiable asymmetrical conventional force reductions in same timescale as elimination of ballistic missiles; and
- likely readiness by Congress and European Governments to support increased conventional defence efforts over same period.

Doubtful whether positive answers to all three can be given with sufficient confidence to justify leap in dark now tabled at Geneva.

- 8. [Only if raised] SDI as insurance. Have noticed increased references in US to this theme. Analogy canot be pressed too far, but may be helpful to recognise that Soviets also need insurance against unacceptable future. If an agreement to be reached, legitimate insurance needs to be provided for both sides.
- 9. Consultation with Allies. Recognise US suspicions of using full NATO forum. Agree small steering group required, although some NATO involvement including Military Committee inevitable. Some European

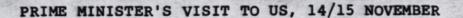


- 10. <u>Future progress in arms control</u>. Must now seek to build on real achievements of Reykjavik, while somewhat blurring ballistic missile position [see Section I].
- 11. Aim to conclude early <u>INF</u> agreement delinked from rest of package. As already confirmed, ready to accept Reykjavik outcome. But if Russians insist on more Asian forces, West should seize opportunity to retain some US deployments in Europe. Can be justified to public opinion because:
- new situation dictated by <u>Soviet</u> needs and demands West continue to support global zero;
- cannot allow Soviet warhead total over 100 in Asia without then matching these in Europe, primarily because of retransfer problem;
- Western security to be seen in global sense including threat to Japan (and China);
- presence of minimal US forces in Europe strengthens coupling of trans-Atlantic security.
- 12. Must also deal with <u>shorter range</u> missiles. Must in current LRINF negotiations achieve present desiderata: freeze on SS22 and 23, plus US right to match. Handling of shorter range systems needs further study.
- 13. <u>Nuclear testing</u>. Should capitalize on Soviet concession at Reykjavik, important break-through even if

they have now reneged. Welcome President's UNGA speech, endorse step-by-step approach (as indicated last year).

- 14. CW. [For Vice-President Bush only] UK challenge inspection proposals have relieved West of one burden.

  US ideas (Article X) neither credible deterrent nor negotiable, damaging to our security. [For Bush and Shultz only] Understand some discussions on our proposals between US and Soviet Union in near future. Hope US will feel able to indicate interest in these.
- 15. Conventional arms control. Hope NATO can soon agree how to proceed. Need broad overall framework covering:
- negotiations on CBMs with all 35 participating;
- negotiations on limitations/reductions which exclude neutrals, and involve commitment by all NATO countries to collective outcome and common negotiating positions.



- III. ARMS CONTROL: THEMES FOR PUBLIC DEPLOYMENT
  POST-CAMP DAVID
- 1. The British Government maintains its support for President Reagan as he seeks to build, in the Geneva negotiations, on the achievements of Reykjavik. We look forward to continuing consultations within the Alliance as those negotiations develop.
- 2. The President and I agreed that we should seek an INF agreement as a priority. We also reject any Soviet attempt to impose artifical conditions in this area. We reaffirmed our commitment to achieving deep reductions in strategic arms. In both areas we are looking for the maximum possible cuts, always provided that the fundamental security of the West can be maintained.
- 3. I reaffirmed my support for the SDI research programme within the ABM Treaty constraints. We agreed that the Four Points we adopted at our meeting here two years ago continue to be relevant, and that, notably, the goal of the US strategic defence programme remains the strengthening of mutual security and deterrence, not military superiority.
- 4. [Earlier was paragraph 3] We agreed that further reductions in nuclear weapons beyond 50% must be balanced

by an equivalent reduction in the risk to Western security from the Soviet superiority in conventional weapons [reference to chemical weapons deleted]. Until that imbalance is corrected, credible nuclear deterrence based on the most effective mix of systems will remain essential to Western security.

5. The President underlined the importance of the full range of the US strategic modernisation programme proceeding according to current plans. He also confirmed full US support for the modernisation of Britain's independent nuclear deterrent with Trident under current arrangements.

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410

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### I NATO /WARSAW PACT: CONVENTIONAL BALANCE, ATLANTIC TO THE URALS

|                    | NATO         | WARSAW PACT | RATIO (1: ) |
|--------------------|--------------|-------------|-------------|
| Personnel          | 2,934,500    | 4,061,500   | 1.4         |
| Tanks              | 17,210       | 50,480      | 2.9         |
| Artillery          | 9,770        | 33,260      | 3.4         |
| Tactical Aircraft  |              | 8,670       | 2.1         |
| Combat Helicopters |              | 2,340       | 3.2         |
| II NATO DEFENCE SI | PENDING 1985 |             |             |
|                    | Absolute     | Percentage  | Per cap     |
|                    | (US \$m)     | of GDP      | (US \$)     |
| USA                | 266,642      | 6.9%        | 1115        |
| UK                 | 22,618       | 5.2%        | 401         |
| France             | 20,132       | 4.0%        | 365         |
| FRG                | 19,767       | 3.3%        | 324         |
| Italy              | 9,286        | 2.7%        | 162         |
| Canada             | 7,385        | 2.2%        | 290         |
| Netherlands        | 3,779        | 3.1%        | 261         |

2.1%

3.3%

7.1%

4.48

3.1%

2.3%

3.2%

1.2%

<u>UK Expenditure</u>: 1986/87 £18.60 bn; 1987/88 £18.79 bn; 1988/89 £18.98 bn; 1989/90 £19.47 bn. Defence expenditure increased by some 20% in real terms between 1979 and 1985. Between 1986/87 and 1989/90 it is likely to decline in real terms by some 5-6%.

3,586

2,557

2,367

2,333

1,701

1,221

647

38

Expenditure of Other Major Allies: There is little likelihood of any real increases in <u>US</u> defence authorisations over the next few years. In FY 86 there was a 5% decline in real terms. While some other European Allies will register real increases in 1986/87 (eg FRG 1.3%; France 5%, but a large proportion on nuclear forces), it is agreed by NATO political and military leaders that the sums necessary to achieve a conventional balance in the <u>absence</u> of nuclear deterrence are far beyond the individual and collective capacity of the members of the Alliance.

Spain

Belgium

Greece

Turkey

Denmark

Portugal

Luxembourg

Noray

