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PRIME MINISTER

cc Mr. Ingham

ARMS CONTROL: SPEECH BY MR. SHULTZ

As you know, Secretary Shultz gave a speech last night in Chicago on 'Nuclear Weapons, Arms Control and the Future of Deterrence'. The only press report which I have seen of it is in the Times (page 10).

Although I have not seen a final text, there are some passages which we could have done without (although it is much better than the original version, to which we objected). Examples are:

- (i) The President proposed to eliminate all ballistic missiles over the subsequent five years. Mr. Gorbachev proposed to eliminate all strategic offensive forces. They talked about these and other ideas, including the eventual elimination of all nuclear weapons. The very scope of their discussion was significant.
- (ii) For our friends and allies in Europe and Asia, the elimination of Soviet ballistic missiles - {including not just the Soviet Union's strategic ballistic missiles and its many SS-20s, but also the shorter-range missiles for which we currently have no deployed equivalent} - would remove a significant nuclear threat.

Against this, one can point to some very useful facts and quotes:

- (i) There is no reference to elimination of ballistic missiles by 1996 or, apart from the first reference above, to any time-frame at all.

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- (ii) Many problems will accompany drastic reductions: problems of deployment, conventional balances, verification, multiple warheads, and chemical weapons. The task ahead is great but worth the greatest of efforts.
- (iii) Our effort to deter a major Soviet conventional attack through the existence of opposing nuclear forces has been successful over the past four decades.
- (iv) The United States and our allies will have to continue to rely upon nuclear weapons for deterrence far, far into the future. That fact, in turn, requires that we maintain credible and effective nuclear deterrent forces.
- (v) First, this Administration has taken much-needed steps to reverse dangerous trends in the military balance by strengthening our conventional and nuclear deterrent forces. We have gone forward with their necessary modernisation.
- (vi) Make no mistake about it. Tough, and probably drawn-out, negotiations will still be required if we are to nail down any formal agreement on offensive force reductions.
- (vii) In the short-term, our task is to follow up on the progress arising out of the Reykjavik discussions.
- (viii) So all of this will take time to work out.
- (ix) But we would not seek to reduce nuclear weapons only to increase the risks of conventional war, or more likely, of political intimidation through the threat of conventional attack. Therefore, a central task will be to establish a stable conventional balance as a necessary corollary for

any less-nuclear world.

- (x) How would a less-nuclear world, one in which ballistic missiles have been eliminated, work? What would it mean? It would not mean the end of nuclear deterrence for the West.

- (xi) We cannot pursue arms control in isolation from other sources of tension.

C D POWELL

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