CONFIDENTIAL

Ref. A09468

PRIME MINISTER

P.C.
8/5

East-West Relations

Both the North Atlantic Alliance and the Warsaw Pact are committed to the pursuit of detente. But detente means different things to different people. This brief takes it to mean the evolution of East-West relations away from confrontation and towards a sober modus vivendi based on a common interest in the avoidance of a nuclear war and leading to a measure of co-operation both between the two super-powers and between their respective allies, but without the security of either side being weakened.

2. The Soviet Union sees detente both as meeting its own security interests and as facilitating the pursuit of its long-term objective of the triumph of the Soviet brand of communism. The Russians seek to avoid a renewed spiral in the arms race, to institutionalise strategic parity with the United States, to secure access to Western technology and credits, to retain freedom to conduct "the political and ideological struggle", to expand their influence in the Third World, to isolate China and to preserve and if possible extend their authority on the European continent (which includes the containment of Germany). The United States seeks to "manage" the emergence of the Soviet Union as a super-power by involving it in a range of arms control negotiations, where possible in a degree of international crisis management, and in a network of bilateral links designed to create a vested interest in co-operation. The Eastern European States seek access to Western markets and technology and opportunities for some assertion of their national personalities. The Western European countries in general share American objectives but tend to attach somewhat greater importance to East-West trade. The Federal Republic of Germany has special concerns arising from the division of Germany, from its geographical location and from the large number of ethnic Germans seeking to emigrate from the Soviet Union and Eastern Europe. France has long sought to maintain something of a special relationship with the Soviet Union as an aspect of her independent role in international affairs. The United Kingdom has been particularly conscious of

the paradox that, as detente progresses, public recognition of its limitations as an instrument for change in Soviet policies has increased; but we have stressed within the Alliance the need to pursue detente in the absence of an acceptable alternative and to formulate a co-ordinated Western policy.

3. For the two super-powers, SALT is very important in the detente context and a SALT II agreement has now almost been reached (I have submitted a separate brief on SALT). A further major element in the development of detente is the negotiation of a Comprehensive Test Ban Treaty which is now going on between the United States, Soviet Union and the Kingdom Kingdom (see also separate brief). Another important negotiation between East and West is the talks on Mutual and Balanced Force Reductions (MBFR) in Central Europe (I have not prepared a separate brief on this subject at this stage). These negotiations, which involve several members of NATO, including the United Kingdom, and of the Warsaw Pact, have been going on for over five years. The West are seeking reductions in the forces of both sides to a common level and are arguing that because of existing disparities the Warsaw Pact should reduce by more than NATO. The Soviet Union and its allies accept the goal of approximate parity at a lower level of forces but claim that assymetrical reductions are not needed because the forces on both sides are roughly in balance now. The prospects of an early agreement are not good. A further aspect of the East-West relationship is the Conference on Security and Co-operation in Europe (CSCE). Both East and West attach importance, though in different ways, to the implementation of the provisions of the CSCE's Final Act. Preparations are now beginning in the Nine and in NATO for the next follow-up meeting in Madrid in 1980.

4. The credibility of detente has been damaged in recent years by Soviet readiness to exploit instability in the Third World, in some cases with the active support of Cuban military intervention. But while exploiting opportunities offered by existing tensions, the Russians have not been able to create new opportunities or to capitalise on all the existing ones, and in some countries they have lost ground. Their wish to avoid a major confrontation with the United States acts as a constraint. Their dismal aid performance and their irrelevance to the North-South economic dialogue are liabilities in the more stable areas. The

Soviet threat in the Third World therefore needs to be seen in perspective. Nonetheless, it remains a serious challenge to which the West must constantly seek an adequate response. The most effective response in many cases will be found in a concerted and enlightened Western approach to the needs and aspirations of Third World countries.

5. The Russians have an atavistic fear of China and regard its burgeoning relations with the West with great suspicion. China poses no military threat to the Soviet Union at present but the Russians fear that with Western arms and technology it could come to do so, thus contributing to the "encirclement" of the USSR.

6. Soviet foreign policy seems unlikely to change greatly when Brezhnev goes. As for other countries, there are a number of basic constants. The Soviet Union will remain fundamentally antagonistic to the West and China and expansionist in the Third World, but its aims will continue to be pursued pragmatically and with a healthy awareness of the Soviet Union's own needs, problems and uncertainties. These include China, currently the most important; potential instability in Eastern Europe; economic problems at home; and fissiparous tendencies in the world communist movement.

(John Hunt) 4/5

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SALT

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PRIME MINISTER

Strategic Arms Limitation Talks

It is probable that the SALT II Agreement will be signed shortly at a Summit meeting between President Carter and President Brezhnev. This will be followed by a lengthy and controversial ratification debate in the United States Congress. The Government will need to take up a public position, both nationally and through the Alliance, soon after signature of the agreement. Separate advice will be submitted on the line we should take. Meanwhile I attach a background note which has been prepared by a small group of officials under Cabinet Office chairmanship on the content of the SALT II Agreement, and on the main issues which have arisen during the negotiations and are likely to affect our interests in SALT III.

2. Copies of this note are being given to the incoming Foreign and Commonwealth Secretary and the Secretary of State for Defence.

(John Hunt)

STRATEGIC ARMS LIMITATION TALKS

The SALT II Agreement is virtually complete and is likely to be signed soon at a summit between Presidents Carter and Brezhnev, although no date has yet been fixed. Thereafter there will be pressure for early governmental reactions. European statements on SALT II will be scrutinised very closely in the United States and will have an important bearing on relations with the Carter Administration and on the ratification process. Advice will be submitted separately about the line which might be taken publicly by Her Majesty's Government.

Content of the Agreement

2. The main provisions of SALT II are summarised at Annex. SALT II is an advance on the 1972 Interim Agreement in several important ways. It covers all types of strategic nuclear delivery systems. It imposes equal ceilings within each category. It limits certain new systems both in number and in kind. It also makes more detailed provision for verification.

General Criteria

3. For the Alliance as a whole SALT II is likely to be assessed under four general criteria.

i. The East/West balance SALT II codifies the "essential equivalence" in strategic arms between the super powers. It does not assume exact equivalence: the Soviet Union will retain its advantages in heavy missiles, throw-weight and "deliverable megatonnage", while the United States will still have more warheads (except possibly for a short time in the middle of the treaty period), greater accuracy and a more balanced spread between land, sea and air systems. The agreement provides a framework of limitations within which each side can develop its own strategic posture and which does not in itself confer an overall strategic advantage on either side.

ii. NATO strategy The Alliance's deterrence strategy places four main requirements on SALT II: that strategic sufficiency should be maintained; that the Alliance's ability to maintain an adequate theatre nuclear capability should not be impaired; that there should

continue to be credible linkage between strategic and theatre nuclear systems; and the continued effectivensss of the strategic and theatre nuclear elements of the deterrent triad, where survivability is one of the major considerations. In our judgement, these requirements are satisfied by the provisions of SALT II. But the United States Administration accept that they will need to improve their forces during the life of the treaty (see iii. below), and there are some special British and European interests which we shall wish to keep under review (see paragraph 4 below).

iii. Future options The United States Administration consider that American strategic needs can be met fully within the SALT II framework. The agreement would allow the United States to develop and (after the Protocol expires at the end of 1981) to deploy a mobile ICBM to offset the problem of the vulnerability of its existing land-based missiles. It also permits the deployment of cruise missiles on aircraft with the proviso that those with a range greater than 600 km should be carried only on designated heavy bombers and should count against the agreed ceilings. The deployment, but not the testing and development, of ground and sea-launched cruise missiles with a range greater than 600 km is prohibited for the duration of the Protocol (this is especially relevant to the European Allies - see paragraph 4 below).

iv. Arms control The SALT II cuts are modest: about 250 Soviet systems in all. But, in addition to tighter verification provisions, SALT II also bans certain new systems, limits the total number of MIRVs and restricts each side to one new ICBM. All of these constraints mean that the Soviet Union is able to undertake fewer strategic military programmes than would probably be the case in the absence of an agreement.

Special British and European interests

4. In addition to these general criteria (which are of overriding importance to the United States as well as Europe) there are three issues of special concern to the Europeans. These have dominated our consultations with the United States on SALT II.

i. Transfers of systems and technology SALT II does not forbid the transfer to a third party of equipment or technology. But each side undertakes "not to circumvent the provisions of this agreement through any other State or States or any other manner". The United States will set out their interpretation of this clause in a unilateral statement after signature. This will state that the non-circumvention provision simply makes explicit the inherent obligation any State assumes when party to an international agreement and that it will not in practice interfere with continued United States nuclear co-operation with the Allies. In this connection we have sought and obtained confidential bilateral assurances from the Americans. In July 1977, they assured us that SALT II would not prevent the United States from meeting its obligations under the 1958 Defence Agreement and the 1963 Polaris Agreement; and that, under SALT II, new forms of United States assistance could be agreed in the future. In December 1978, the Americans clarified that the transfer of long range air-launched cruise missiles to the United Kingdom was not precluded in principle under SALT II. They have, understandably, emphasised throughout that any United Kingdom request for transfers would have to be dealt with in the light of circumstances at the time. These private assurances, although in theory not completely watertight, are substantial and should ensure that in practice the United States will be able to transfer systems and technology to meet our foreseeable needs. They have been reflected in a number of official public statements made in the United States (including one by President Carter on 20th February) that the agreement will permit the United States and the Allies to pursue all the defence programmes that may eventually be needed, including cruise missiles. There is one outstanding point on the proposed United States' public statement which has caused us difficulty and which we were trying to resolve in discussion with the Americans. A separate submission will be made on this.

ii. The Protocol Concern has been expressed that the United States will come under pressure to extend the Protocol limits on ground and sea-launched missiles and mobile ICBMs after 1981. The United States have, however, frequently assured us that the restrictions contained in the Protocol would lapse on its expiry.

Furthermore all the indications are that the United States takes seriously the freedom of choice which it will regain when the Protocol expires. It is spending over $200 million on ground and sea-launched cruise missiles this year and has budgeted $670 million for the development of a mobile ICBM next year. According to the State Department, any future limitation on these systems would require United States agreement and Congressional approval. Moreover, Alliance policy on long range theatre systems is being made (under active United States leadership) on the assumption that all types of cruise missile will be deployable from 1982 onwards.

iii. "Grey area" The Soviet Union has a growing advantage in the grey area between strategic systems covered by SALT II and battlefield nuclear systems. It is a source of concern for Western Europe, particularly the Federal Republic of Germany, that SALT II puts no limits on Soviet long range theatre systems, notably the SS20 missile and Backfire, which are targetted on Europe and are therefore strategic in European terms. They were excluded partly because they do not have a genuinely inter-continental range, but, more importantly, as a consequence of United States insistence which, with the support of the Alliance, has been maintained since SALT I, on excluding American theatre nuclear systems from the negotiations. It is expected that the Russians will press for such systems, together with British and French nuclear forces, to be included in SALT III. The Americans intend to state publicly that any future limitations on United States systems principally designed for theatre missions should be accompanied by appropriate limitations on Soviet theatre systems. Meanwhile a NATO Group of senior officials is studying what improvements are needed in NATO's long range theatre nuclear forces (TNF). The indications are that in its final report to Ministers in the autumn, the Group will recommend a mixture of cruise missiles (probably ground-launched) and a longer range

version of the Pershing ballistic missile launcher. In parallel with this a Special Group is considering possible arms control options for limiting Soviet long range theatre systems. This Group will also report in the autumn. It is hoped that Ministers will thus have a wide framework within which to take timely decisions about TNF modernisation.

5. Although we judge that British and European concerns have so far been adequately safeguarded in the SALT process, our interests will increasingly be at issue as future negotiations focus on deeper cuts and possibly on grey area systems. There will be a need for close consultation in the Alliance and for a clearer view of where our interests lie. We hope that the two NATO Groups referred to above will provide the basis for a stronger and more coherent European input.

The United States Ratification Debate

6. It is at present far from certain that President Carter will secure the two-thirds Senate majority needed to ratify SALT II. The position of the United States Administration would become even more difficult if, as seems increasingly likely, the issue becomes entangled with the 1980 Presidential elections. Much of the debate addresses technical questions such as verifiability, ICBM silo vulnerability and whether the United States can afford to allow the Soviet Union to retain the advantages that it has (eg in heavy missiles, throw weight and deliverable megatonnage). But it also coincides with a painful realisation that the United States has lost strategic superiority and must work hard to maintain parity with the Soviet Union during the 1980s. As a result, SALT II is being blamed for problems which have other causes and the issue is broadening into a critique of United States defence policy and of detente in general. But the signs are that the ratification debate, far from inducing complacency, is serving to alert the United States to the need for fresh efforts to preserve strategic stability.

Assessment

7. SALT II is a compromise which covers only a facet, albeit an important one, of East-West competition. It is ideal for neither side. For the West, its main limitations are that, while confirming a rough

equivalance in strategic systems, it will not change the existing and growing imbalance in long range theatre nuclear systems; that it sets a precedent for restraining one of the West's most promising answers to this problem - the cruise missile; and that it has only limited effect on the advances which the Soviet Union has made since SALT I in strategic programmes.

8. These problems would however not disappear if SALT II was rejected; some could be made worse. Rejection would, moreover, set back the process of arms control and would undermine the possibility of restraining Soviet theatre nuclear forces in the foreseeable future. It would rupture the consensus on strategic matters which has served the United States and the Alliance well over the last three decades, and would damage the credibility of United States' leadership. Moreover it would adversely affect the whole conduct of relations between the United States and the Soviet Union. It will therefore be very important that the Alliance is seen to give solid support to the Americans over SALT II. In any case there are positive advantages for the West in the new agreement. It will be seen to be compatible with Alliance strategy. It will largely preserve our own and the Alliance's nuclear options. It will help to reduce the vulnerability of United States ICBM silos. It should provide a useful, if by no means infallible, constraint on Soviet behaviour, especially in the post-Brezhnev era. Finally, it will avoid an all-out competition between the super powers in strategic systems.

May 1979

SALT II: THE BROAD OUTLINES

The Shape of the Agreement

1. The SALT II Agreement consists of three parts:

(a) A Treaty lasting until 31 December 1985.

(b) A Protocol expiring on 31 December 1981, which will cover a number of issues not included in the Treaty.

(c) A Joint Statement of Principles on subsequent SAL negotiations.

2. There are also a number of associated documents or statements including:

(a) An agreed exchange of statements on the Backfire bomber.

(b) A unilateral American interpretative statement on non-circumvention.

(c) A unilateral American statement on Theatre systems.

The Treaty

3. The SALT II Treaty is based on the 1974 Vladivostock Accord. The central feature is the ceiling agreed for the total number of strategic nuclear delivery systems both sides may possess, and sub-ceilings for different elements within that aggregate, as follows:

MIRVed ICBM launchers	820
MIRVed ICBM launchers plus SLBM launchers	1,200
MIRVed ICBM and SLBM launchers plus aircraft carrying long-range cruise missiles	1,320
All strategic systems	2,250

4. The Treaty contains a large number of detailed provisions associated with these ceilings. In particular:

(a) an agreed timetable of reductions to reach the overall aggregate by 31 December 1981. About 250 Soviet systems will be dismantled. The Americans are already below the ceilings.

(b) provisions limiting fractionation (ie the number of separate Re-entry Vehicles (RVs) which may be fitted to any one missile). The maximum number of RVs on existing missiles is frozen at existing levels. For new ICBMs, up to 10 RVs are permitted. For new SLBMs the figure is 14.

(c) provisions permitting the testing and deployment of ALCMs capable of ranges in excess of 600 km only on aircraft counted under the sub-ceiling for MIRVed systems. This restraint applies both to conventional and nuclear-armed ALCMs.

(d) provisions to aid verification, which, as with SALT I, will be carried out by "national technical means". These include exchange of data, advance notification of missile tests, and the prohibition of the encoding of radio signals transmitted from missiles under test ("telemetry encryption"). This scope of this prohibition remains one of the important unresolved issues.

5. The Treaty also prohibits the flight testing and deployment of new types of ICBMs, with the exception of one light ICBM for each side (MIRVed or non-MIRVed). There are no limitations on new types of SLBMs.

6. There are restrictions on the modification of existing types of ICBM and SLBM although the details remain a key unresolved issue.

7. The Treaty also prohibits additional fixed launchers of heavy ICBMs as well as the development, testing and deployment of mobile launchers of heavy ICBMs, of heavy SLBMs and their launchers, and of heavy ASBMs.

8. The non-circumvention provision states:-

> "In order to ensure the viability and effectiveness of this Agreement each party undertakes not to circumvent the provisions of this Agreement through any other State or States or in any other manner."

There is also a requirement not to assume international obligations in conflict with the Treaty.

The Protocol

9. The central feature is the limitation on Ground and Sea launched Cruise Missiles and mobile ICBMs.

(a) The deployment of conventional and nuclear-armed Cruise Missiles with a range over 600 km on sea-based (SLCMs) or land-based (GLCMs) launchers is prohibited. Testing and development are permitted.

(b) Testing and deployment of light ICBMs from mobile launchers banned. The testing of mobile light ICBM launchers themselves is permitted.

The Joint Statement of Principles

10. This statement contains four agreed principles governing the approach to be adopted towards future negotiations.

(a) a commitment to continue to negotiate to limit strategic arms further in number and in kind.

(b) a reference to the need to strengthen verification and the Standing Consultative Commission in the interests of strengthening compliance with the Treaty.

(c) three specific objectives for future negotiations:

(i) substantial reductions in the number of strategic arms;

(ii) qualitative limitations on strategic arms, including restrictions on the development, testing and deployment of new types of strategic arms, as well as the modernisation of existing strategic arms;

(iii) the resolution of issues included in the protocol.

(d) agreement to consider further measures to enhance strategic stability, including a provision that "each party will be free to raise any issue relative to the further limitation of strategic arms".

/Exchange of Statements on Backfire

Exchange of Statements on Backfire

11. The Americans have accepted that the Soviet Backfire bomber will not count in the overall limitations on strategic systems but they are looking for assurances on this aircraft outside the formal Treaty. The Russians have indicated that they will provide a unilateral statement giving assurances that they would freeze their current Backfire production rate at "approximately 30" per year and not upgrade the aircraft so as to give it a capability against the United States. The Americans want the production rate to be stipulated precisely at 30 per year and assurances that there will be no significant upgrading of the aircraft's capability.

Unilateral American Interpretative Statement on Non-Circumvention

12. The Americans intend to issue an interpretative statement on non-circumvention for the North Atlantic Council and for Congress. We are still discussing the US draft bilaterally. No draft has yet been considered by the Alliance.

Unilateral American Statement on Theatre Systems

13. The American unilateral statement is designed to reinforce their position on future negotiations. It states that:-

> "Any future limitations on US systems principally designed for theatre missions should be accompanied by appropriate limitations on Soviet theatre systems."

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PRIME MINISTER

Comprehensive Test Ban

You will of course know that since July 1977 the United Kingdom has participated in negotiations with the United States and the Soviet Union for a multilateral comprehensive test ban treaty. Much of the treaty has already been agreed tripartitely, but there are a few outstanding and important issues still to be settled, including especially problems relating to verification.

2. I attach a note describing the current state of play in the negotiations and indicating the problems which remain to be resolved. It has been prepared by a small group of officials under Cabinet Office chairmanship and is for information only. Further submissions will be made as and when decisions are required by Ministers.

3. It is convenient to mention one related point at this stage. Difficult scientific and technical questions arise over e.g. stockpile reliability and safety in the absence of testing (see paragraph 7 of the attached note): and we have felt the need for some independent source of advice in addition to that provided by the experts in the Ministry of Defence. Accordingly a small panel of eminent outside scientists was established a few months ago under the chairmanship of Lord Penney to advise on such nuclear weapons matters as might be referred to it.

4. Copies of the attached note are being given to the incoming Foreign and Commonwealth Secretary and the Secretary of State for Defence: but it will not have any wider circulation until you decide whether you wish sensitive matters of this kind to be handled in the Defence Committee or in a smaller group. I will let you have a separate submission on this when your main appointments have been made.

JOHN HUNT

COMPREHENSIVE TEST BAN NEGOTIATIONS

The United States, the Soviet Union and the United Kingdom have been engaged since July 1977 in negotiations in Geneva on a multilateral Comprehensive Test Ban (CTB) Treaty, to be supplemented by a Separate Verification Agreement (SVA) between the three of them. The greater part of the multilateral treaty has been agreed, but much of the SVA has still to be negotiated.

United Kingdom Objectives

2. Since the Partial Test Ban Treaty was concluded in 1963, the United Kingdom has supported the aim of making the ban comprehensive, by extending it to cover underground tests. This objective is widely shared in the international community. The non-nuclear powers see a CTB as a necessary demonstration of the nuclear weapon states' commitment to nuclear arms control, as a counterpart to their own renunciation of nuclear weapons.

3. The United Kingdom's main objectives in seeking a CTB, which are shared by the United States Administration, are to curb the qualitative development of nuclear weapons without adversely affecting Western security; and to help prevent their proliferation to more countries. The first of these objectives should be met, provided the CTB is properly verified and provided no safety or reliability problems arise in the existing weapons stockpile which are beyond our capability to solve without nuclear testing. The second objective requires the kind of treaty which will attract the adherence of key non-nuclear weapon states, such as India and Pakistan, that have kept open the nuclear weapons option by not adhering to the Non-Proliferation Treaty. This is an aspect to which we have attached special importance since there is disquieting intelligence about the extent to which Pakistan in particular is pressing ahead with a nuclear weapons programme.

Soviet Motives

4. The Russians have long claimed to want a CTB. When President Carter proposed negotiations on assuming office they readily agreed. They share our interest in non-proliferation, and they probably see a CTB as contributing to the process of detente. We have to recognise that no CTB is totally verifiable and we must therefore seek to reduce to a minimum the possibility for the Russians to gain military advantages by cheating (see paragraphs 9-11 below).

The Scope of the Treaty

5. It has been agreed in the negotiations that the multilateral treaty should ban all nuclear tests in all environments. A protocol, which would form an integral part of the treaty, is to provide for the cessation of peaceful nuclear explosions (PNE). The Russians earlier in the negotiations wanted to exempt PNE, which they argued were necessary in the development of the Soviet economy. But the United States and United Kingdom insisted that PNE should cease, since in their development the same basic technology as nuclear warheads is used and they would inevitably confer military benefits.

6. The Americans intend during a CTB to continue very small nuclear experiments (of yields below 100 lb in TNT equivalent) in order to maintain their technical capability. Such experiments are not nuclear tests in the accepted sense of the term and therefore in our view would not detract from the comprehensiveness of the treaty. The United Kingdom will have similar requirements but no decisions have been taken on any British programme of experiments. Experiments of these very small yields cannot be used to test weapons in the stockpile or to develop new weapons. The Americans will probably want the Russians to accept some understanding that such experiments will not fall within the treaty prohibitions. But the Russians are likely to resist because they can conduct them without detection and see no need for any understanding. This difficult point has yet to be settled.

The Duration of the Treaty

7. The United States and United Kingdom originally proposed unlimited duration. This position was changed in order to take account of possible problems in maintaining the safety and reliability of their stockpiles of nuclear weapons indefinitely without testing. On United States initiative all parties are now negotiating on the basis that the treaty will have an initial duration of three years as advocated by the Russians from the start. But the United Kingdom has made clear that it would have preferred an initial duration of five years, as a greater inducement to non-nuclear weapon states.

8. It is envisaged that during the final year there will be a review conference of the parties to the treaty to consider what should happen on expiry of the initial period. The Americans want the conference to be able to consider all options, including not only the lapsing or extension of the

treaty, but also its modification, eg by the introduction of a threshold of, say, 3 kt below which testing could be resumed. The Russians insist that the conference should consider only the question of extending the treaty and that this should depend on whether non-parties - ie France and especially China, neither of whom can be expected to adhere to a CTB for the foreseeable future - are conducting tests. The United Kingdom has supported the United States position which would enable us to decide in the light of all the relevant considerations (including the state of our nuclear stockpiles) what should happen after the initial period. In particular we attach importance to keeping the possibility of extension open, so as not to prejudice the chances of adherence to the treaty by key non-nuclear weapon states. This has so far proved an intractable issue.

Verification

9. The multilateral treaty will provide for parties to use their national technical means for verifying the compliance of others with the Treaty; and for an international exchange of data from seismic monitoring stations in many countries. It will also give each party the right to request an on-site inspection of another party's territory, if it has reason to suspect that a violation of the treaty may have occurred. The United States and United Kingdom at the start of the negotiations were still insisting that such inspection should be mandatory. But other means of verification, notably satellite monitoring, have been developed, so that inspection, while still important as a means of checking suspect events, is not as central to verification as in the past. We have accordingly accepted that inspection will be subject to the agreement of the inspected state.

10. In the case of the three negotiating states, these multilateral measures of verification will be supplemented by additional ones in the tripartite Separate Verification Agreement (SVA). This will make clear that refusal of a properly substantiated request for inspection under the SVA would be a serious political matter. It will also spell out the detailed arrangements for inspections between the three parties. We have proposed that the United Kingdom should have a special status in this connection: rather than exercising an independent inspection capability, we should be free to participate in United States inspections in the Soviet Union.

11. The most important provision of the SVA will be for high quality seismic monitoring installations, known as National Seismic Stations (NSS), to be located on Soviet, United States and British territory. The United States, with British support, is seeking 10 NSS in the Soviet Union, to be installed during the first two years of the treaty. These tamper-proof stations will augment the existing means of detecting, identifying and locating seismic events in the Soviet Union. It is estimated that United States national technical means of verification supplemented by 10 NSS in the Soviet Union would reliably detect seismic events (whether earthquakes or nuclear explosions) in the Soviet Union down to a yield between about 300 tons and about 3 kilotons (TNT equivalent) depending upon whether the event occurred in hard or soft rock. The network would positively identify a seismic event as an explosion (and not an earthquake) at yields three times those levels. This United States verification capability would deter attempts at evasion and have a high chance of detecting Soviet testing at large enough yields to advance nuclear warhead technology. The Russians might hope to get away with very small clandestine tests to check the safety and reliability of warheads in their stockpiles. But under a three year treaty this would be unlikely to bring them militarily significant advantages over the Americans.

12. The Russians have agreed to accept 10 NSS on condition that the United States and United Kingdom each does likewise. They have proposed that 9 of the United Kingdom stations should be in British dependent territories. They have refused to discuss the technical characteristics of NSS (which will govern their performance) and the timetable for installation until agreement is reached on numbers. The United States has accepted 10 NSS. The United Kingdom has agreed to one NSS in the United Kingdom itself (at Eskdalemuir in Scotland) but has maintained that there is no technical justification for NSS in United Kingdom dependent territories. We have argued that NSS are relevant only for monitoring large land masses and would add nothing to the capability of Soviet national technical means, such as satellite observation, to monitor our dependent territories. Moreover they would represent an addition to public expenditure and there may be difficulties over finding enough suitable sites in dependent territories. The Russians have countered that there is no technical case for NSS anywhere under a three year treaty; that they only accepted 10 NSS because they considered that this was a political requirement of the United States Administration (to make the CTB acceptable to Congress); and that it is

a Soviet political requirement that the United States and United Kingdom should accept "equal obligations". The Americans, at official level, have suggested to us that the present United Kingdom position could endanger the chances of securing the important breakthrough of 10 NSS in the Soviet Union and that we shall have to change it when the negotiations resume (scheduled for 21 May) if progress is to be made. This is another very difficult issue, which will be the subject of a separate submission.

Negotiating Timetable

13. The timetable for completion of the tripartite negotiations is likely to be determined largely by the time it takes to negotiate the details of NSS. That might involve several months of intensive discussion. Meanwhile the Russians recognise that, because arms control proposals are controversial in the United States, the Administration will not wish to reduce the chances of SALT II ratification by submitting a CTB treaty to the Senate before the latter has voted on SALT II.

14. There is no agreement yet on how the treaty should be handled once tripartite agreement has been reached. The Russians favour immediate signature by themselves, the Americans and ourselves. The United States and United Kingdom consider that there will be more chance of persuading key non-nuclear powers to adhere if they are given some part in the preparation of the treaty. We therefore envisage that the tripartite negotiations might be followed by a series of consultations about the resulting treaty with key non-nuclear powers. In the light of these, we would decide whether to sign the treaty or first to submit it for discussion - but not substantive amendment - to the 40-nation Committee on Disarmament in Geneva.

May 1979

Prime Minister,

10 DOWNING STREET

From the Principal Private Secretary

SIR JOHN HUNT

Briefing for the Prime Minister

The Prime Minister has now read through all of the briefing on policy issues which you submitted to her. She said to me last night that she had found all of this of enormous value and was very grateful indeed to you and all of those who had put so much work into it. She particularly asked me to say how impressed she was by the summary brief which was at the beginning of your material: she thought it was a masterly analysis and intends to use it this afternoon in talking to her Cabinet colleagues.

K. R. STOWE

8 May 1979

M

CIVIL SERVICE DEPARTMENT
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Telephone 01 273 5400

Sir Ian Bancroft G.C.B.
Head of the Home Civil Service

N Sanders Esq
No 10 Downing Street
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3 May 1979

Dear ~~Nick~~ Mr PA

POST-ELECTION SUBMISSION TO THE PRIME MINISTER

I attach red and blue sets of submissions from Sir Ian Bancroft to the Prime Minister on the lines we agreed.

The only omission is the Blue submission on Honours, on which Sir Ian Bancroft is working, to take account of Mr Stowe's comments. We will send this over as soon as possible.

I am copying this, without the attachments but with Sir Ian Bancroft's covering minutes, to Martin Vile.

Yours sincerely,

David

DAVID LAUGHRIN
Private Secretary

COVERING SECRET

Ref. A09432

MR. STOWE

You wanted to know what briefs we are preparing for immediate submission to Mrs. Thatcher if she is the new Prime Minister.

2. Perhaps I should first mention three urgent submissions which do not strictly fall under the heading of briefs. We would let you have:-

(i) the formal reminder to a new Prime Minister (required under the Security Commission's report of July 1973) about security aspects of Ministerial appointments;

(ii) a submission recommending the establishment of The Queen's Speech Committee and attaching a draft Queen's Speech - it will be essential to clear this as quickly as possible;

(iii) a draft of "Questions of Procedure for Ministers".

3. Briefs will be submitted on:-

K ✓ 1. Summary and timetable of urgent economic issues.

K ✓ 2. The Budget.

K ✓ 3. Public sector pay and cash limits.

K ✓ 4. Energy.

K ✓ 5. Chancellor Schmidt's visit on 10th-11th May.

K ✓ 6. European issues (including the EEC Budget and CAP).

K ✓ 7. House of Commons Procedure: Open Government: Official Secrets.

K ✓ *8. Devolution.

B/K K ✓ *9. Northern Ireland.

B/K — ✓ 10. Comprehensive Test Ban negotiations.

B/K — ✓ 11. SALT.

✓ 12. Subversion.

✓ **13. Intelligence.

no copies ✓ **14. Nuclear release procedures (covering also reconfirmation of certain understandings with the United States President and Federal German Chancellor).

**15. Future of the Nuclear Deterrent.

16. Rhodesia

17. E-W relations

Notes

(a) Briefs marked * include points which could have a bearing on Ministerial appointments.

(b) Briefs marked ** will be classified Top Secret.

(c) Brief No. 5 deals with a point on which an urgent decision is needed. You will separately be getting the normal briefs for Chancellor Schmidt's visit.

4. Recommendations about the composition of the main Ministerial Committees will follow when Ministers have been appointed.

(John Hunt)

1st May, 1979