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Prime Minister 4
Briefing for the
meeting with Mr. McFarlane
on the outcome of the
Geneva discussions.
7 January 1985

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Dear Charles,

The Shultz/Gromyko Meeting in Geneva, 7/8 January:
Briefing for the Prime Minister

We discussed briefly on 4 January what briefing, if any, the Prime Minister might need in advance of Mr McFarlane's meeting with her on the morning of Wednesday, 9 January, to inform her of the outcome of Secretary Shultz's discussions with Mr Gromyko in Geneva on arms control. Our preliminary view was that no new briefing material was likely to be required for this occasion, although the Prime Minister might find it useful to refresh her memory of some of the briefs which were prepared for her meeting with President Reagan on 22 December.

Having seen the text of President Reagan's message of 5 January to the Prime Minister (enclosed with your letter of that date to Peter Ricketts in the FCO), together with Washington telegram No. 24 which set the scene for the Shultz/Gromyko meeting, I remain of the view that there is no new material which could usefully be prepared for an occasion of which the main purpose will be to provide the Prime Minister and Ministerial colleagues with information. You may, however, wish to remind the Prime Minister of the summary (included in the background to her Camp David briefing) of the state of play of the START and INF negotiations when they were each broken off at the end of 1983: I enclose the relevant extract for ease of reference.

President Reagan's message of 5 January (and paragraph 5 of Washington telegram No. 24) make it clear that although the Americans would still prefer to retain the separate START and INF negotiating fora. Secretary Shultz has been authorised to show some flexibility on the future shape of negotiations on offensive weapons reductions. It would be useful to use the meeting with Mr McFarlane to extract as much information as possible on current US thinking, post-Geneva, on this score: and in this context the Prime Minister might find it useful to have another look at the background notes on the "Umbrella"

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concept of arms control negotiations and on the "Implications of a Merger" of INF/START negotiations. I therefore enclose these, too, for ease of reference. It would be of particular interest to probe Mr McFarlane's thinking on the eventual acceptability or otherwise, in Washington, of the concept of common ceilings for strategic and intermediate range offensive nuclear weapons (see the illustrative Annex A to the note on "Merger").

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The Prime Minister, in expressing her thanks for President Reagan's message of 5 January, will doubtless wish to welcome in particular the President's confirmation that Soviet proposals for the inclusion of third country systems in a negotiation on INF reductions would be rejected. If Mr McFarlane's report does not specifically address this point, the Prime Minister might wish to enquire whether any such suggestion had in fact been made from the Soviet side in Geneva; and she may wish to have by her, strictly for defensive use, the note on "UK Trident and Arms Control" which was, again, prepared for the Camp David meeting on 22 December. I enclose a copy of this, too, for ease of reference.

It is clear from the pre-Geneva reports from Washington (and from President Reagan's message) that the Americans rightly see themselves as approaching a possible renewed negotiation from a position of relative strength, in which the outer space card is a significant element. It will, in general, be valuable to elicit from Mr McFarlane a clearer picture of how the Americans envisage striking the right balance between using the strength of their opening hand to encourage the eventual resumption of substantive negotiations (even if this does not happen for some time) and, on the other hand, risking a negative outcome as a result of a Soviet refusal, as it might look from Moscow, to "negotiate under pressure".

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Finally, the Prime Minister will wish to obtain from Mr McFarlane as full a picture as possible of how, in the light of this initial meeting in Geneva, the relationship between offensive weapons reductions and possible BMD/SDI developments is emerging. For this purpose, I enclose a list of relevant questions (prepared by FCO and MoD officials) on which the Prime Minister may care to draw.

I am sending copies of this letter (without enclosures) to John Weston and Robert Alston (FCO) and Nigel Nicholls (MoD).

Yours ever,
Bryan -

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INF/START: State of Play

7. When the START negotiations broke up last year, the Russians were offering to reduce strategic ballistic missile launchers and heavy bombers to a total of 1800 (compared with SALT total of 2250). The Americans were concentrating on seeking a reduction of warheads on strategic ballistic missiles on each side from approximately 7,500 to 5,000. They also sought a separate limitation on heavy bombers on each side including heavy bombers with air-launched Cruise missiles; as well as some reduction in the existing discrepancy between the total ballistic missile throw-weight on each side. Objectively speaking it ought to be well within the realms of the negotiable to bridge the gap between these two positions, at least by means of an outline framework agreement which could set an overall objective for official negotiators to fill in. But this would require movement on both sides.

8. When the INF negotiations broke up the last American offer was to set global limits on LRINF missile warheads on each side at 420, with an implication that the United States would not deploy the whole of this number in Europe if the Soviet Union exercised equivalent forbearance. Since then the picture has been complicated by a continuing programme of Soviet SS20 deployment and base construction, and by so-called "counter measures" involving the forward deployment in Eastern Europe of other shorter range Soviet missiles. It has to be admitted that the intrinsic prospects for

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agreement in the INF field are less promising. That is why the Administration is increasingly examining whether a merger of START and INF systems might provide a procedural way forward. Under this approach it ought theoretically to be easier to present an overall agreement, perhaps with no explicit provision for European systems, but with the implication that any apparent advantage at one level would be offset by compensating advantages for the other side at another level in the overall START/INF basket.

9. All this for the moment remains unclear and undecided and much will depend on Soviet attitudes in Geneva. It is obvious that key Allies need to remain closely involved in the process of formulating Alliance policy since our interests are directly involved in a number of ways. It is therefore reassuring that Secretary Shultz sent NATO Foreign Ministers a message on 28 November re-affirming the United States commitment to effective consultation. And for key Allies such as the United Kingdom, Germany and France this process will be reinforced bilaterally and in other restricted fora.

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BACKGROUND NOTE

US/SOVIET MEETING IN GENEVA: THE "UMBRELLA"

1. As implied by the Background Note to the Prime Minister's brief on East/West relations and arms control already submitted, the so-called "umbrella" concept for US/Soviet arms control talks remains rather vague and ill-defined. The original American purpose was to provide a procedural device for surveying the whole spectrum of arms control business in a broad political framework. It was hoped (in the event rightly) that this would given the Russians an opportunity to return to arms control discussions without appearing to lose face by resuming the INF and START negotiations in exactly the same format as when they were discontinued in 1983.

2. As for the coverage of the umbrella, most Administration officials now seem determined that it should for the present comprise only Outer Space and offensive nuclear systems, which are viewed as the essential issues (they are also of course primarily bilateral US/Soviet issues). This initial limitation of the dialogue seems also to reflect Soviet preferences. Extending coverage to other areas, eg Chemical Weapons, MBFR and CDE is generally considered to be something which might emerge later but should not be attempted at once. In any case the more directly multilateral character of these latter negotiations would raise additional questions.

3. If the essential coverage of the umbrella is agreed on this basis, it will be the purpose of the Shultz/Gromyko talks in January inter alia to try to agree how the format should thereafter be structured. It seems likely that there would have to be two broad sets of negotiations:

- (a) on space (covering both ASATs and initial exchanges on the implications of strategic defence); and

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- (b) both strategic and intermediate range nuclear weapons.

The latter point raises the further question whether it is now envisaged that instead of two separate negotiations (hitherto labelled START and INF) there might be a merger combining these in one substantive negotiating menu. A note examining some of the implications of this possibility is annexed.

4. Broadly speaking it is not possible at this stage to prescribe any one particular US/Soviet negotiating format which would be uniquely well-suited to the British interest. We obviously wish to ensure that the French and British strategic nuclear deterrents continue to remain outside any US/Soviet negotiating context. It is likely that the Russians will go through their usual manoeuvres to seek to get third country systems formally included, and this will have to be resisted. Certainly in recent months there seems to have been some movement in US official opinion toward favouring a START/INF merger in procedural terms. One advantage seen here is that with a bigger basket it ought to be theoretically easier to present any agreement as consistent with the overall aim of equity and equivalence. But there is as yet no consensus on whether START and INF negotiations should be substantively merged and a system of common ceilings proposed.

5. Any argument that in a merged situation it would be more difficult in principle to exclude British and French systems by definition can be effectively countered by pointing out that the larger the negotiating basket in US and Soviet terms, the smaller the relative significance of British and French forces measured against Super Power arsenals which together account for 95% of global holdings of nuclear weapons.

IMPLICATIONS OF A MERGER OF INF/START NEGOTIATIONS

1. The United States resisted until recently the idea of merging the two sets of negotiations. Agreement by the Russians to consider a new arms control process covering both offensive and defensive systems has effectively overtaken these American reservations.
2. There are some strong general arguments for a merger of negotiations on strategic and intermediate range systems;
 - (a) the inclusion of both in one negotiation would better reflect NATO's strategy of extended deterrence (the "seamless web") helping to "couple" the defence of the US to that of Europe by underlining the European dependence on protection from US strategic systems and the United States' national or strategic interest in the protection of Europe by INF. One drawback of the separation of the INF talks from the SALT/START process was the encouragement of the notion of a separate European balance and its potential decoupling implications.
 - (b) if it led to agreement on overall ceilings covering strategic and INF forces which allowed some freedom to "mix" the two the Allies would be able to work out the right balance between strategic and INF systems, thus denying to the Russians the sort of droit de regard on deployment in Europe which they have in effect claimed during the INF negotiations. (Such a freedom to mix INF and strategic systems need not prejudice the separate question of freedom to mix land-based missiles, sea-based missiles and aircraft under a strategic agreement.)
 - (c) it could remove certain current problems of system definition (for example whether Backfire is a strategic or intermediate range bomber).

3. There are however, important potential difficulties:
- (a) it would undoubtedly complicate the consultative process. The Americans have in general honoured commitments to consult the Allies on all aspects of their INF negotiating position. A formula could probably be worked out covering those areas of the merged negotiation which were the direct business of the European Allies and which required their agreement (there are precedents in the SALT negotiations); the Special Consultative Group set up to consider the arms control aspects of the 1979 dual decision on INF is probably the best multilateral forum. But there would be some institutional resistance in Washington to having the Allies too closely involved in the negotiation of US and Soviet central systems.
 - (b) The Russians would be ready to exploit any opportunity to present offers which were attractive to the Europeans on INF but disadvantageous to the Americans on strategic arms. Similarly, there could be a temptation for the Americans to conclude a deal which gave them what they wanted on strategic systems but sold the Europeans short on INF.
 - (c) It could lead the Belgians and Dutch to insist on a moratorium on their share of NATO deployments on the grounds that the full programme of 572 missiles was no longer necessary; and that their deployments could adversely affect the new talks.

BRITISH AND FRENCH FORCES

4. The effect of a merger on the position of British and French systems in relation to arms control is not clear cut. A merger would make it less easy for the Russians to highlight the British and French systems as a significant factor in the

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East/West balance because they would be a smaller proportion of the whole (although they could be expected to make the most of the planned modernisation of these systems). It could be easier for the Americans to argue, as they did throughout the SALT process, that the British and French systems were an incidental and relatively insignificant problem which should be not allowed to impede the central purpose of the talks. On the other hand it could be more difficult for us to maintain our current position that by definition our forces have no place in the INF process and that the time has not yet come when they would be of such relative significance in the strategic balance as to warrant a re-think of HMG's position with respect to strategic negotiations. The Russians could claim that it was just to include third party systems in the new, broader negotiation. This argument would fall on fertile ground in some Western European capitals. There are sound counter-arguments but they may not be easy to put over publicly, although the French too can be expected to make strong use of them.

5. The overall balance of advantage in any merger would depend to a considerable degree on the categories of weapon systems covered. If, as seems likely, these included all INF missiles with ranges over 1000 kms, and all medium range dual capable aircraft this would have the following implications:

- (a) the merger would catch Soviet systems of particular concern to Europe (SS20, Backfire);
- (b) however the Russians attempted to present the figures we should be able to demonstrate a considerable global disparity in their favour;
- (c) given that the Soviet lead in medium range systems will be difficult to remove totally by negotiation there would be room for the Americans to claim a compensating right to numerical superiority in strategic systems;

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- (d) it would at least in theory be open to the Americans to accept that they should not take this compensation in full in recognition of the contribution of French and British systems, although Congress might block any agreement which was not based on transparent equality; presumably we would not favour this.
6. An illustrative approach for a merged negotiation is attached. This shows the result when the existing Western INF negotiating position is simply grafted on to the START totals with freedom to mix between the two.

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INF/START MERGER

Illustrative Approach

	Current forces (Nov 1984)		US START proposals	US/NATO/INF proposals	Possible proposal under a START/INF merger
	<u>US</u>	<u>Soviet Union</u>			
Strategic ballistic missile warheads	c7800	c8500	5000	-))))))))	5400 with no sub-divisions
Land-based INF missile warheads of ranges 1800-5500km	93	1242	-	420))))))))	
Sea-launched nuclear cruise missiles of ranges over 1800 kms	c20	0	unspecified limits offered	-	?
Strategic bombers	264	127	400	-	
Land-based (INF) aircraft of ranges 1800-5500 km (if included)	300	600	-	unspecified limits offered	c700, possibly with sub-divisions constraining ALCMs

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A. UK TRIDENT AND ARMS CONTROL (for use only if raised)

1. It is not recommended that the Prime Minister should take the initiative in raising Trident with President Reagan on this occasion. To do so might only strengthen American suspicions that United Kingdom reservations about BMD/SDI stem solely from concern over its implications for the UK national deterrent.

Speaking Note for defensive use

2. We discussed in September 1983 the British nuclear force in the context of arms control. Likely to be pressure from Russians to include Polaris/Trident (and French systems) in new talks. You are aware of British position. No reason to change this now. French position similar. Time may come to consider question of third country forces if and when deep bilateral cuts agreed, and no significant change to Soviet defences. We would be prepared to work with the United States once deep bilateral cuts agreed on ways of handling the question of the United Kingdom force in future arms control. We shall in any event wish to look at ways to show that the actual size of UK Trident will be well below its theoretical maximum.

Background

3. Our position on the place of the UK strategic deterrent in arms control was set out by Sir Geoffrey Howe at the United Nations on 28 September 1983 when he said:

"As far as the British deterrent is concerned, we must naturally take into account that our force is a strategic one, and that it represents less than 3 per

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cent of the strategic nuclear forces available to the United States or to the Soviet Union. It would be absurd as things stand for us to seek to trade reductions with a super power. But we have never said 'never'. On the contrary, we have made it clear that, if Soviet and United States strategic arsenals were to be very substantially reduced, and if no significant changes had occurred in Soviet defensive capabilities, Britain would want to review her position and to consider how best she could contribute to arms control in the light of the reduced threat. That remains our position."

4. The Prime Minister had a long discussion with President Reagan on the position of the UK deterrent in arms control during a tete-a-tete at the White House on 29 September 1983. The President said that the United States would continue to seek sizeable bilateral reductions with the Soviets, but if these were agreed it would be necessary to make allowances for the strategic weapons of other countries. The Prime Minister explained the purposes behind the Soviet arguments and the basis behind the United Kingdom's thinking, indicating that, if the negotiations resulted in sizeable reductions and there were comparatively few weapons of this kind left, then, in this totally different world, we would have to consider the position of the United Kingdom and French deterrent, but this did not arise now. The hope was expressed that the United States would be very cautious on this issue. Mr Reagan confirmed that they would be.

5. MISC 7 reviewed the position of the UK deterrent in relation to arms control in July this year when it took decisions on the Trident programme. A paper prepared by officials considered the background, and possible theoretical

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options for considering the UK deterrent in arms control, including "counting-in"; a reduction formula and "no increase" commitment. It concluded that none of the options that might provide presentational improvements to our arms control position fully met our security criteria, and that the furthest we could go would be to make a conditional commitment on our plans for Trident in relation to Soviet defences and re-emphasise our commitment to review our position in the event of substantial reductions in the arsenals of the super powers and appropriate restraints in Soviet defensive capabilities. The time to make such a statement should be kept under review. MISC 7 endorsed the paper but concluded that it was not necessary or desirable to go beyond the public statement already made on the limits placed on the size of the Trident force.

6. Mr Gromyko has raised the question of the position of the UK deterrent with Sir Geoffrey Howe twice this year, most recently in a discussion at the United Nations on 27 September, when Mr Gromyko entered into a diatribe pressing for the counting-in of United Kingdom and French systems, claiming that their exclusion was a tactical device to kill time, and claiming (as he has before) that President Carter had accepted that the Soviets have a point on this issue.

7. There are likely to be pressures from the USSR (and perhaps some Allies) as the new negotiations get under way to accept the principle that United Kingdom (and French) forces should be taken account of in some way. If the President raises this issue, the Prime Minister will wish to confirm that the United Kingdom position has not changed, but she may also wish to add that once deep cuts have been agreed bilaterally, we would wish to consider with the United States how best to handle the question of the United Kingdom force in future arms control.

POSSIBLE QUESTIONS FOR Mr McFARLANE

1. The Russians have made it clear they are at the talks to achieve the limitation and preferably the prohibition of outer space weapons. This gives the SDI a pre-eminent place in any negotiations. We agree that it provides valuable leverage, but only if the US are prepared to go some way to meet Soviet concerns.
2. How far do the Russians now appear ready to concede significant reductions in offensive weapons, against the background of their SDI concerns? What evidence was there in Geneva of their alleged "radical proposals", to which Gorbachev referred in our exchanges here?
3. On ASATs, did the US side detect Soviet readiness to consider "measures of mutual restraint" to which President Reagan referred in his September UN speech? We assume detailed negotiating points were not raised. But did the Russians seek postponement of the next US ASAT test, now scheduled (we believe) for July? Did they accept that the US should be able to match Soviet capability? Were distinctions drawn between low and high orbit ASAT systems; and/or between existing and future systems?
4. On BMD/SDI, did the Russians try to draw distinctions between traditional ABM (i.e. limited point defences) and comprehensive defence coverage; and/or between solely

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land-based and space-based systems? Did they recognize the difficulties of verifying constraints on research in this field, and the consequent problems in trying to inhibit these pre-development activities?

5. More generally, did the Soviet attitude on verification give any grounds for optimism that they may be prepared to be more cooperative than in the past?