



PM/83/98

PRIME MINISTERArms Control

1. I welcome your decision to have OD(D) review the major current issues of arms control on 14 December. Within this wide field, the sector in which progress would do most to increase international confidence and reassure public opinion would be that of limiting or reducing the manufacture and deployment of nuclear weapons. In that context, our meeting will be taking place against a discouraging background. The START talks have been suspended for the anticipated Christmas recess but will, we hope, resume in January. The Soviet Union has broken off the INF talks and the Russians are taking the line that these cannot be resumed unless the West reverses its initial deployments of Cruise and Pershing 2 missiles. (I attach notes by FCO and MOD officials on both these negotiations for the information of colleagues). In their public statements on arms control matters, for example at the opening on 17 January of the Conference on Confidence and Security-Building Measures (CDE), Western governments will have to strike a careful balance between responding to understandable public concerns about the lack of progress on nuclear arms control while, at the same time, giving no encouragement to Soviet hopes that Western resolve to seek equilibrium as well as agreements may now begin to falter.

2. We must bear in mind the different timescales to which the Soviet leadership and Western governments operate in tackling these crucial long-term issues. Democratically elected Western governments have to respond to immediate pressures - to Parliamentary debates, to impending elections, and to significant shifts in public opinion. The leaders in the Kremlin have no such concerns. They can take their time and choose their moment. They have just sustained a major setback in failing to achieve their prime objective of four years standing, preventing the deployment of LRINF missiles by NATO in Western Europe. The Russians may



take some time to adjust to this, but they are in no hurry. The West has just embarked on a programme of deployments which, in the absence of an INF agreement, will take five years to complete. The Russians will continue to hope that at some point along that road they will be able to bring about a significant breakdown in Western unity leading to a halt in the process or, worse, its reversal. They know very well that the progress of Western deployments coupled with the absence of progress towards an INF agreement will create public unease and hence political problems for Western leaders. They can be confident that, quite soon, the West will begin to fidget.

3. We have to accept that, given the nature of our political societies and the genuine public concern to which the nuclear issue gives rise, this Soviet prognosis may well be justified. Public and private pressures on Western governments for efforts to break the log-jam can be expected to mount. Initiatives will be canvassed which, like Premier Trudeau's, reflect a sound political aspiration but a less sound assessment of Western security interests. The problem of the UK and French national deterrents will again be cast as the main obstacle to progress. While the Russians sit tight, there will be a risk of restlessness within the Alliance which could generate either disunity - which the Soviet leadership would be quick to exploit- or the temptation to compromise aspects of Alliance security, or both.

4. The Defence Secretary and I have discussed this perspective informally and I think we are agreed that, despite an unpromising outlook, it would be wrong not to explore every feasible possibility of identifying a fresh approach to these issues by the UK which could help the negotiations on nuclear arms control to regain momentum. It would be essential for new UK input to be developed within the Alliance rather than to break ranks in a spurt for the headlines which would delight the Russians above all. Nor should we lose sight of the fact that to use arms control negotiations simply as a means of restoring a climate of international confidence risks putting the cart before the horse. We and our colleagues in OD will be considering on 12 December how the UK



can contribute to a resumption of East/West dialogue and thus to an international climate in which arms control negotiations would be more likely to succeed.

5. The conventional wisdom is that some change of atmosphere in East/West relations is a precondition for any successful major new arms control initiative, assuming that one can be identified. Indeed, it would be argued that the potential benefit of any well-founded initiative would merely be dissipated if the wider political atmosphere is unreceptive. That again emphasises the length of timescale involved. Certainly I accept that it is necessary to go on trying to improve the atmosphere for East/West relations and to re-constitute the political dimension for managing our differences with the East. But the question still remains whether there may not be some substantial initiative to propose in the arms control field, for consideration alongside whatever steps we agree should be taken to improve the atmosphere.

6. The papers before us suggest not. Yet a number of outside commentators (for example the Bishop of Birmingham and ex-US Defence Secretary Macnamara) suggest that there could be. Certainly I am not myself enough of an expert to propose what or where that new initiative could be. I accept that it is easy for those outside government to call for initiatives when they are not responsible for thinking through the security and defence implications of striking a new position at the negotiating table and we must recognise that the constraints of a US election year will compound the difficulties. But like Michael Heseltine, I am by no means entirely convinced that there is no truly fresh approach deserving consideration. I should myself be disposed, if colleagues agree, to look more fundamentally and more widely for just such an approach. I cannot be optimistic but I think we should at least try to agree on the right method for taking forward our thinking on this question.

7. Several possibilities spring immediately to mind. First, I hope that within NATO it may be possible for Britain to take something



of a lead in defining and shaping the way in which the Alliance reconstitutes the dialogue dimension of its policy, which will have such a critical impact on the prospects for arms control business across the board. I would not exclude, a priori, that we might seek to encourage some re-examination within NATO as to whether we are right to assign to the concept of arithmetical parity its current importance as a necessary ingredient of any arms control agreement.

8. Second, my officials have already begun to review the prospects for a better Western performance at the UN in the light of the disappointing results this year over arms control (the result of Soviet propaganda efforts, non-aligned extremism and lack of Western unity). I have now instructed them as a matter of urgency to consider whether there are any new steps which HMG could take in the area of multilateral disarmament, to respond to public concern for more progress while preserving our essential security interests. This review will cover both institutional and policy elements of the Alliance's approach.

9. We also need urgently to examine the implications of a possible INF/START merger if events were to move in that direction next year, particularly as they may affect our position on the UK deterrent in relation to arms control. I have instructed my officials in cooperation with their MOD counterparts to take this work forward.

10. But none of this should distract us from the need for progress on other stages and in other fora. The temporary hiatus in nuclear arms control negotiations reinforces the need, in political terms and in terms of domestic public opinion, to examine very carefully the possibilities for constructive activity on the existing and immediate arms control agenda. With this in mind, I suggest that at our meeting on 14 December we must attend seriously to three areas in which more immediate guidance is needed by officials. These are the MBFR negotiations in Vienna; the CDE, which opens in Stockholm in January; and the British approach to the Non-Proliferation Treaty (NPT) for whose review conference in 1985



preparatory work has already begun. I am circulating with this minute notes by FCO/MOD (and, in the case of the NPT note, Department of Energy) officials about each of these three subjects, together with recommendations which we are asked to endorse.

11. MBFR and CDE are, of course, among the specific areas in which Premier Trudeau in his recent initiative has suggested that a new political impulse could be helpful. As regards the talks in Vienna I remain sceptical whether much can be done without yielding important Western principles. But we need to consider the tactical possibilities with an open mind, in conjunction with our American and German allies: Richard Luce who visited the negotiations last week will be able to give colleagues a first-hand impression.

12. The Stockholm Conference is clearly an important occasion, if only because it is upon us so soon. At present it is seen as affording a real opportunity for a new approach towards a limited objective, namely strengthening European security as it affects conventional forces. We need to ask the experts whether it can be anything more than that. If not, then it is necessary to prevent expectations rising too high upon the Conference. And, once it is under way, we shall need to ensure that this effort does not degenerate into a mere propaganda forum. It looks as though it will probably be a long haul towards its restricted objective. But we need to be sure there is no other alternative to be taken up.

13. On non-proliferation, Argentina's development of a uranium enrichment plant is a timely reminder of the importance of maintaining and if possible strengthening the NPT regime. The attached paper by officials seeks OD(D)'s endorsement of the UK approach to this issue and of an urgent study, drawing on expert advice from outside Whitehall, of ways in which the attractions of NPT adherence might be enhanced.

14. There are other important areas of arms control which we

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shall need to keep under review in OD(D), although they are not for immediate decision at this meeting. These include chemical weapons (on which I understand Michael Heseltine may wish to present some considerations at a later date) and the whole question of arms control in outer space, with particular reference to anti-satellite systems. We shall also need to press the United States to consult us closely about their programmes for defence against ballistic missile attack (President Reagan's 'Star Wars' speech): these have far-reaching implications which could among other things affect the future of the ABM Treaty and thus the longer term credibility of Britain's independent strategic nuclear deterrent. Background notes on these subjects by officials are also attached, for information.

15. I invite my colleagues (1) to consider the right strategy for the UK to adopt at this present critical stage: (2) to note the overall picture in the arms control field, as summarised in the papers prepared by officials: (3) to endorse the specific recommendations on MBR, CDE and the NPT.

16. I am sending copies of this minute to colleagues in OD(D).

GEOFFREY HOWE

Foreign and Commonwealth Office

7 December, 1983

MBFR

(Note by FCO/MOD Officials)

State of the Negotiations

1. The West's aim is to whittle down the East's preponderance in military manpower in Central Europe.
2. The Western draft treaty tabled in 1982 provides for parity at 900,000 men in the reduction area; agreement on initial data; specified reduction amounts; and effective verification.
3. Eastern proposals tabled in 1983 also speak of parity at 900,000 men; this figure would be reached via small-scale US-Soviet reductions outside a treaty framework; a subsequent freeze on forces and armaments on the basis of an open "political" undertaking; and self-determined reduction quotas.
4. The talks are stalled by the Soviet contention that approximate manpower parity now exists and that asymmetrical Eastern reductions to reach parity are not called for. This has been supported by spurious Eastern forces' figures which we believe now understate the total by some 240,000 men (about 20% of the total). The Russians have also been unwilling to accept effective verification.
5. The Russians have recently made a number of concessions over verification which, although inadequate, come close to Western requirements. But they are unwilling to discuss these further without the West's first accepting the Eastern "concept" of a data-less agreement; this would perpetuate existing Eastern superiority. Also, being perceived as a back-down by the West in face of Eastern obduracy, it could have an effect in other disarmament negotiations.
6. Although not sanguine of the outcome, the American MBFR negotiator, the Germans and others consider that the West should be prepared to advance fresh terms, not including agreement on

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initial data (on the basis of which reduction amounts can be easily ascertained); hoping, in return, to secure Eastern verification concessions. The hope is that the latter, retroactively, should provide assurance we seek on numbers. The UK regards this as wishful thinking.

7. However, the German National Security Council has endorsed an option based on this concept which the Americans have collaborated in improving. In informal UK/US/FRG liaison we have put forward a different proposal intended to avoid certain pitfalls.

8. The latest position is that, by Presidential decision, the Americans have decided not to move for the moment; the Germans will not go it alone. The debate on the Western side is between those who nonetheless hanker after a major move now, (likely to involve conceding initial data agreement) and the UK - normally supported in Vienna by the Belgians, Italians, Greeks, and Turks (five in all, of the twelve Western members), who remain sceptical whether the West should offer up positions of principle for purely tactical reasons.

9. The Russians (who must know what is afoot) are unlikely to budge while new proposals are in the offing, which could concede some Soviet objectives. The terms that the West requires are more likely to be achieved if we continue to point up patent insufficiencies in the East's position - especially over verification and identification of reductions. We are seeking NATO support for this - the only policy currently available; but some Americans and the Germans are unenthusiastic, as success might queer the pitch for their option if it comes forward.

10. Dr David Owen has argued for a "political solution" in which Ministers might "by-pass the data issue", and impose a settlement based on verifying withdrawals and residual manpower. Mr Trudeau may also have something of this sort in mind.

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11. Without agreement on initial data we could not know in advance the reductions the East would take. It would then be unlikely that we could accurately monitor the reduction process, and ensure that the Russians withdrew all forces necessary to enable parity to be reached. Nor could we expect the Russians to accept the very stringent verification measures necessary (in the absence of agreed data and known reductions), to satisfy the West that parity was maintained.

12. The State of the Negotiations is set out in fuller detail in the Annex A to this note.

Recommendations

13. Ministers are invited to agree that:

- (a) in the light of recent Eastern moves an evaluation within NATO of the Western position at the MBFR negotiations would be timely and appropriate;
- (b) without prejudging the question of the political and tactical desirability of any Western move, UK officials should contribute to intra-Alliance efforts to devise a tactical counter move, basing themselves upon the principles underlying the UK Paper already approved by FCO/MOD Ministers and circulated informally to the Americans and the Germans;
- (c) in the event of any consensus beginning to emerge within the Alliance, UK officials should refer again to Ministers for instructions;
- (d) at this stage it would be premature to consider a meeting at Foreign Minister level in Vienna, though this possibility in due course, even in circumstances short of complete agreement being within grasp, should not be excluded;
- (e) Ministers should keep the negotiations under regular review in OD(D).

MBFR

State of the Negotiations: The Details

1. The present Western position is contained in the comprehensive draft treaty tabled on 8 July 1982. This calls for reductions by all direct participants in 4 stages over 7 years to a combined collective ceiling of approximately 900,000 ground and airforce manpower on each side. The first stage would be a 30,000/13,000 reduction by the Soviet Union and the United States respectively.
2. The Western concept, in essence is: agreement on initial force levels followed by quantified, staged and monitored reductions, to an agreed and verifiable common ceiling. It is thus predicated upon the assumption that the existing national manpower totals for both sides would be specified in the treaty, and would therefore have to be agreed at the outset. Eastern manpower strength is, however, the subject of major dispute. The East claims that existing force levels on each side are already roughly equal at just under one million. But long-standing and reliable Western intelligence shows that in fact Eastern force levels are over 1.2 million and all attempts to get the East to disaggregate their data in order to identify the discrepancy have failed.
3. As an integral part of this draft treaty, the West proposes a set of confidence building and verification measures (associated measures) designed to monitor the reductions taken and to verify compliance with the residual ceilings. The essential features of the verification elements of this set of associated measures are:
 - a. an exchange of information, at the time of signature, covering data on all ground and airforce personnel on each side;
 - /b.

- b. declared exit/entry points with observers through which all ground and airforce personnel not indigenous to the area of reductions should enter and leave the area;
 - c. the right to carry out up to 18 inspections in any calendar year in the territory of the other side to monitor compliance with the treaty;
 - d. a commitment by each side not to interfere with the national technical means of verification at the disposal of the other (eg satellite photography).
4. The Eastern response during 1983 has been a 3-part proposal offering:
- a. an initial Soviet and US reduction of 20,000 and 13,000 men respectively, as an earnest of commitment, outside any treaty framework and on the basis of mutual example;
 - b. a political commitment by all direct participants to freeze the level of their forces and armaments while further agreement of reductions to parity is negotiated.
 - c. to circumvent the data dispute, each side to decide for itself what reductions it needs to make, in the framework of a single agreement, to reach the agreed collective ceiling of 900,000 on either side, by a continuous unstaged reductions process over three years. It was indicated that if the West would buy this approach, the East would be more forthcoming over the verification of residual force levels.
5. In its unvarnished form this Eastern proposal thus amounts in essence to: no agreement on initial force levels necessary; followed by unquantified (except for the initial US/Soviet step) and unmonitored reductions; leading to eventual arrival at a common ceiling, at which point verification would establish that each side had indeed arrived at the stated goal.

6. To the optimist it might appear that this way of proceeding would afford the East the opportunity quietly to remove its extra 200,000 men by making reductions beyond those required by its own declared figures. Were it the case that we knew the East to be looking for a face-saver, this prescription might have some attraction. But there is no evidence of a wish on the Eastern side to draw down its unacknowledged superiority by this means. (Nor would they need to wait for an agreement in order to do so.) Indeed if anything the East has gone out of its way to disabuse the West of any such expectation.

7. There has been no narrowing of the gap between the two sides on the central question about whose figures are right as to existing force levels. If the West were therefore to accept an agreement on the lines of the Eastern approach described above, this would imply one of two things, either:

- a. abandoning the Western objective that the negotiations should lead to ceilings on force strengths at a level of equality, or
- b. keeping the notional aim of equality, but accepting that a treaty entered into on the basis of explicit disagreement as to initial force strengths could after reductions result in an even less favourable force ratio for the West; and would almost certainly reanimate the existing data dispute several years later under circumstances in which Western force size would be limited by treaty obligations.

8. In the last month or so the East has nevertheless deployed some concessions in response to Western pressure on the verification aspects of their proposals above. For example:

- a. it now offers some exchange of information, before signature of an agreement, including numerical specification of the bulk of the reductions that the East would take. But this would be on the basis of its

own figures (which we do not accept) and would thus cover at most only some 79,000 of the 314,000 or so reductions necessary. Detailed ~~dis~~aggregated strength data on the ground and air force personnel remaining after reduction has not been offered;

b. It would invite observers to be present at the reductions of the most substantial contingents involved in the East's overt reduction commitments and would offer that all Eastern movements in and out of the area after completion of the reduction process should take place through designated points;

c. it is ready to consider some on-site inspection following the end of the reduction process and to say in advance that refusal of a request for inspection would be exceptional.

9. Taken together these elements represent some movement toward meeting expressed Western concerns and the wording of them has been clearly chosen for that effect. To that extent they justify Western firmness in Vienna in forcing the East to concentrate on verification without ourselves paying a price in terms of other Western desiderata. A major defect nonetheless remains that most of the Eastern verification measures would be postponed until after the completion of the reductions process and do not therefore provide adequately for monitoring that process itself. Moreover, the Western set of measures, to which the East now presents itself as attempting to approximate, were designed for an accord based on agreement about existing force levels and therefore agreement also about the precise staged reductions which each side would take. If, as under the Eastern proposal, the whole onus were to be placed upon verification only of the end result, with initial force strengths still in dispute and the actual reductions process taken largely on trust, a far more stringent set of verification measures would be required. These have yet to be properly devised; given the size of the task, they may not be realistically feasible let alone negotiable.

10. There is nevertheless some feeling within the Alliance that, if only for tactical purposes, the West now needs to 'respond', and that this should be done by seeking to explore whether there are any elements in the Eastern position as it now stands which could be turned to Western advantage, even if this means presenting a counter-proposal which we know would have little chance of actually being accepted. Should the West be prepared to be less demanding about the need for comprehensive agreement at the outset on existing force strengths, if in return the East can be brought further towards the Western position on verification? So far informal Western thinking has centred on trying to make something out of subparagraphs a) and b) of the Eastern position at paragraph 4 above, while substituting the draft Western Treaty for subparagraph c) of the Eastern approach. The underlying notion here would be to permit some Soviet and US reductions as a first step without prior agreement on force levels; and then to use the subsequent period (which the East in its proposal describes as a freeze) to establish by means of previously agreed verification measures the actual force strengths either of all direct participants, or at least of Soviet forces. Complete overall force strengths would have to be established, either by physical verification or by data exchange or a mixture of the two, before proceeding to reductions to the agreed collective ceiling of 900,000 as in the Western draft Treaty.

11. The Western aim of agreed data before major reductions is thus "saved" by postponing it one stage, assuming the required verification measures could be evolved and agreed. If any such approach were to be successful in practice, it would still require the East to remove its unacknowledged manpower superiority before the verification process was carried out. And this may seem inherently unlikely (and perhaps for that reason also unacceptable to the East). There are also important questions about how safely to accomplish an initial Soviet/US reduction step eg whether to insist on specific numerical quantified sub-ceilings on

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Soviet and US forces after that step; the preferred size of such initial reductions, given the possibility that the process might never go beyond the freeze phase; and whether acceptance of a freeze in MBFR carries unacceptable implications for other arms control negotiations.

12. When the Administration recently put to the White House certain suggestions for exploring such a move within the Alliance and perhaps then putting it to the East, President Reagan decided against any new move for the time being. We too, at the official level, had some reservations about the versions of any such move that the Germans, for example, were recently toying with. But we have said that, subject to approval by Ministers, we would be prepared to participate in intra-Alliance consultations to see whether a counter move can be devised that meets essential Western security criteria. And indeed, we circulated informally to the Americans and the Germans (with the approval of FCO and MOD Ministers) some preliminary ideas in that direction (which are at Annex B).

13. The Western group of negotiators in Vienna have recommended to the North Atlantic Council that in the light of the tactical situation the West now needs to evaluate its position. Mr Trudeau's suggestion that the West should respond to latest eastern moves goes in the same sense (he seems to have moves on German lines in mind). But there is less justification for Mr Trudeau's other proposal (which echoes Dr Owen under the last Labour Government) that Foreign Ministers of all direct participants should meet soon in Vienna to impart new political momentum to the negotiations. The most likely outcome of that would be a propaganda field day for the Warsaw Pact and heightened public expectations which could only be satisfied at the cost of conceding central Western negotiating principles.

UK PAPER FOR TRILATERAL GROUP : POSSIBLE MOVE IN MBFRAIM

1. To probe Eastern intentions by exploring two aspects of the East's February 1983 proposals: initial US-Soviet reductions separate from subsequent overall reductions to parity; and the suggestion that mutually acceptable measures might be worked out for verifying residual ceilings.
2. The West would convey readiness to be flexible over the requirement for agreed initial data, in return for Eastern willingness to accept effective verification. Agreement on data would have to be achieved before a second phase of reductions. Our requirement for large asymmetrical reductions to reach parity would remain.

ELEMENTS OF OPTION

3. "Minimum" Soviet-US reductions (say 60,000 Soviet and 25,000 US ground forces) to be followed by agreement on residual ceilings (of about 400,000 for Soviet ground forces, and 200,000 for the US). Agreement that these ceilings had been reached would provide us with our essential data base. Already-tabled Western measures for verification should apply.
4. A "goodwill clause" or "mutual political commitment" along the lines of the West's December 1979 Proposal to cover all direct participants would take effect after Soviet-US residual force levels had been reached. This commitment would be for a fixed period, during which agreement might be reached on data and the process for reductions to parity. The West's Draft Treaty of July 1982 would remain on the Table as a suitable framework for this stage.

/RATIONALE

RATIONALE FOR REDUCTIONS

5. Large Soviet reductions would give assurance of Soviet commitment and would secure significant military benefit for the West.
6. Specifying 'minimum' Soviet reductions and allowing extra withdrawals to be made would allow some ambiguity, thereby offering the Russians a means of escaping from their present data predicament.
7. All units withdrawn, whether or not specified, would be prenotified and would pass through permanent checkpoints. The procedure would be the same as for all movements after signature of an agreement.
8. We could also consider specifying reductions in terms of lists of units withdrawn. Prior agreement on these lists, and overt observation of the withdrawal, would itself provide considerable assurance about overall numbers. There would be the additional advantage of building even more directly on the Soviet 'mutual example' concept, which involves detailed exchanges of lists.

RATIONALE FOR CEILINGS

9. Ceilings would broadly reflect Western data. But this could have an attraction for the Russians, since it would involve fewer Soviet reductions than a lower ceiling reflecting official Soviet figures.

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10. The US ceiling after a 25,000 withdrawal would be about 190,000. But a rounded figure, of about 200,000 US forces (my para 3), would convey that our data calculations were approximate only; this would ease the presentational problem for the Russians. But if they preferred the lower figure, we could concede this.

VERIFICATION

11. Even a detailed breakdown of data would be unlikely to allow totally fool-proof verification and such a breakdown would anyway be difficult to negotiate. In connection with the verification of super power sub-ceilings after the initial phase of reductions, we should aim at a data breakdown sufficient, in company with the standard associated measures package, for the purposes of adequately verifying these ceilings. We could draw, in addition, on direct observation of the asymmetrical reductions.

OTHER ELEMENTS

12. To provide the obligations on other participants on which the Soviet Union would insist, we could go along with the idea of a political understanding, now put forward by the East in connection with a freeze, and previously by us in the "goodwill" clause of our December 1979 Proposal. An obligation on all participants is needed an immediate contractual freeze not based on data agreement would be even less satisfactory.

OVERALL POLICY

13. The proposition would have similarities with the West's interim agreement of December 1979. But instead of agreement on initial data there would be the prospect of substantial and observed Soviet reductions leading to specified ceilings. It builds on current Eastern concepts. At some stage in negotiations we could consider amending our position on some other points at issue.

14. We would have responded to the recent Eastern proposals; and shown flexibility over initial data agreement, to encourage Eastern movement on verification. The Russians might find enough of interest for them in this to enter into a meaningful dialogue.

THE CONFERENCE ON DISARMAMENT IN EUROPE (CDE)

(Note by FCO/MOD Officials)

State of the Negotiations

1. As agreed at the Helsinki Preparatory Meeting in October, the CDE will begin in Stockholm on 17 January next year. The opening may stimulate public anticipation since it will provide a new forum for East/West discussions about arms control at a time of considerable international tension and when the other major negotiations are in baulk (MBFR/START) or have been suspended (INF). Attendance by senior political figures at the opening is likely to increase such interest.
2. In the Conference's first phase, signatories of the Helsinki Final Act will attempt to negotiate a set of confidence and security-building measures (CSBMs) "designed to reduce the risk of military confrontation in Europe". The mandate lays down that these shall be militarily significant, politically binding, verifiable and applicable to the whole of Europe, ie up to the Urals. In the Western view, CSBMs are concrete non-reduction measures which set rules for military behaviour and inter-change. They should be designed to enhance mutual understanding, institutionalise East/West military behaviour over time and thus contribute to stabilising the military situation in a crisis. The aims of CSBMs is thus:-
 - (a) to reduce secrecy
 - (b) to promote stability and inhibit the use of force
 - (c) to establish agreed standards and patterns of peacetime military activity
 - (d) to inhibit attack options
 - (e) to enhance warning and thus facilitate timely political decision in periods of tension or crisis.
3. The East's objectives at CDE are tempered by their overall view that increased information-sharing and openness (transparency) is a Western device for penetrating the greater level of secrecy

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with which the Warsaw Pact can cloak its military activities. They are therefore likely to propose CSBMs which involve the minimum amount of verification on their side (they clearly dislike the unprecedented "droit de regard" over the European parts of the Soviet Union which the CDE mandate implies). They may also seek to negotiate constraints where these would disadvantage the West eg by limiting the size and type of exercises allowed. They will also introduce a number of declaratory proposals such as the non-use of force, regional nuclear-free zones and the freezing of force levels or military budgets. Because such declarations would rest merely on statements of good faith, they would not materially increase confidence and might actually undermine Western security. However, they are likely to be used by the East to reinforce their "peace offensive". The West may come under pressure from public opinion and the Neutral/Non-Aligned nations to support such superficially appealing declarations rather than to persevere with our own practical, if more realistically limited, proposals.

4. Western objectives are, in line with the aims set out in paragraph 2 above, to work for the early adoption of a set of CSBMs which:-

- provide for a mutual exchange of military information;
- establish a clear pattern of normal military behaviour through notification;
- establish an effective verification mechanism including direct observation and a mandatory consultative mechanism;
- have regard for the principle of reciprocity and entail no obligations, the application of which would be more advantageous to the East than to the West.

5. To this end, work is proceeding in NATO on refining a set of proposals whose outline was agreed by the North Atlantic Council in 1980 (when it was thought that the package might actually be deployed at Madrid). These are at Annex. It is intended to complete work on the NATO package by Christmas so that Governments

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can approve its contents by early January in time for final endorsement by the North Atlantic Council around 11 January. The West is also emphasising that CDE remains subject to the overall control of the CSCE process. This is essential, since the East seeks to separate disarmament from questions of human rights observance to which they are tied by the Helsinki Final Act.

6. Some practical difficulties remain to be resolved before a full Alliance consensus on the NATO package. For example, on the measure concerning the extension of facilities for accredited military personnel, it will be important to ensure that existing restrictions on Soviet attaches in this country, which are close to an irreducible minimum, are not altered in a way which endangers our security. We shall similarly wish to make sure that the right of inspection upon the territory of a participating state is compatible with our own need to deny access to certain sensitive defence facilities or activities in this country. A further substantive point arises over the measure concerning prior notification of military activities within the CDE zone. At present the draft NATO proposal would not require any notification of arrival into the zone of military forces from outside it. Such forces would only become notifiable if and when they deployed from their arrival bases to take part in a notifiable activity within the CDE zone. Similarly, notification would not be required of the movement of such forces out of the CDE zone to some other destination. This reflects the American position that CSBMs should not in any way touch the transit of American forces through Europe for rapid deployment purposes outside the NATO area or the deployment from Europe of US forces for such purposes. Most other Allies consider this to be a conspicuous omission from the NATO package, which renders it vulnerable to criticism since nations could legitimately argue that substantial arrivals of troops in Europe would be potentially threatening and of direct security concern to all CDE states. The omission also offers at least a theoretical loop-hole which the East could seek to exploit for movements of its own military forces.

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British officials have therefore argued so far, along with many other NATO partners, that this omission can be made good by providing that notification of such movements should be included on a similar basis to alert activities, ie by notification at the time of arrival in, or movement out of the CDE zone, but not in advance. The French have suggested compromise language on this point, but it is uncertain whether the Americans will yield.

7. The prospects for early achievements at the Stockholm conference should not be over-rated given the differing objectives among many of the thirty-five participants, the present strains in East/West relations and the detailed and complicated subject matter. It is nevertheless a Western interest to establish the Stockholm forum as a serious addition to the multilateral arms control process in the conventional field. Not only would CSBMs on Western terms be worth having because they would contribute to security in Europe; but, if this first phase of a CDE were to prove successful (it will be reviewed at a further CSCE meeting in Vienna in 1986), the process could lead on to measures involving military constraints and perhaps force limitations or reductions in the longer run. This prospect need not be pre-judged at this stage and would of course depend among other things on whether the MBFR negotiations at Vienna continue indefinitely without reaching agreement.

Recommendations

8. Ministers are invited to:-
- (a) endorse the general line taken by UK officials in the approach to the CDE as described above;
 - (b) to take note that they will shortly be asked to approve a package of detailed NATO proposals for CDE and
 - (c) to note that it will be appropriate in due course to put in hand a study of the longer term implications

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for conventional force arms control (including MBFR), if it proves possible to achieve a successful first phase of CDE by 1986.

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NATO Document

The NATO document which was enclosed on this file has been removed and destroyed.

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Signed:

J. Gray

PREM Records Team

START

(Note by FCO/MOD Officials)

State of the Negotiations

1. The US/Soviet START talks began in June 1982. It is assumed that despite the break in INF, they will resume as normal in the New Year. Present negotiating positions are briefly as follows:-

The Soviet Position (on the explicit assumption that there were to be no new NATO LRINF deployments).

A draft treaty, amounting essentially to an extrapolation of the SALT 2 Treaty, proposes reductions in strategic nuclear delivery vehicles by 1990 to:-

	1800 ICBMs, SLBMs and heavy bombers
of which	1200 could be MIRVed ballistic missiles and heavy bombers with ALCMs
of which	1080 could be MIRVed ballistic missiles (ICBMs, SLBMs)
of which	680 could be MIRVed ICBMs.

The Russians have now relaxed their previous position which would have sought to limit Ohio/Typhoon class SSBNs to only four to six submarines on each side. This therefore permits the US Trident submarine programme to go ahead, together with deployment of the D5 missile. The Russians have also relaxed their position by allowing some deployments of ALCMs, provided the US would agree to ban GLCMs and SLCMs of over 600 km range. Although, as is clear from the above, their primary counting unit continues to be launchers, the Russians have also proposed that there should be a single combined aggregate of ballistic missile warheads and bomber weapons corresponding to the launcher ceilings. They have not yet provided a specific figure, but claim that it will be less than the current US total (around 10,000).

/The United States Position

The United States Position

A draft treaty proposing that each side reduce from the present approximately 7500 ballistic missile warheads to 5000 warheads on no more than a limited number of ICBM and SLBM launchers (the Americans are no longer wedded to their original stipulation of 850 ballistic missile launchers and seem to be thinking of a figure around 1200). The Americans would also like a direct limit on ballistic missile throwweight at some unspecified point between the current Soviet total of 5.6 million kgs and the current US total 1.8 million kgs; but they have dropped their earlier numerically quantified sub-limits on heavy and medium ICBM launchers. In addition the Americans are proposing a separate sub-limit on heavy bombers (including Backfire) at 400 on each side, with a maximum limit of 20 ALCMs per heavy bomber. By stating that all strategic systems are in principle on the table, the Americans have indicated that they would not any longer exclude limitations on strategic nuclear sea launched cruise missiles (SLCMs). Up to now the Americans have refused to aggregate ballistic missile warheads and bomber weapons in a combined total, on the grounds that a gravity bomb or a slow flying ALCM cannot be compared with a ballistic missile warhead in terms of the threat it poses. More recently however the Americans have for the first time indicated that they would be prepared to consider trade-offs that would take into account Soviet advantages in missiles and US advantages in bombers in ways providing each side maximum flexibility, so long as they would result in a more stable balance of forces. This is a further sign of genuine flexibility on the US side.

The key elements are thus:

1. Reductions to 5000 ballistic missile warheads-
2. Flexible approach to reducing disparity in the destructive capability and potential of ballistic missiles;
3. Substantial reductions in deployed ballistic missiles;
4. Effective verification.

In addition, the Americans have tabled a number of nuclear

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confidence building measures, such as for example the prior notification of all missile test launches. Out of deference to Congress, they have also recently introduced the idea of "build-down" (removing more than one old warhead for every new one deployed) but have not specified details.

Prospects

Both sides have moved some way from their initial positions, but there has been little genuine negotiation, with the Soviet Union holding progress in START hostage to the INF talks. Viewed purely in terms of the nuclear accountancy, the distance between the US and Soviet positions is not so great as to put an agreement in principle beyond reach. The essential points to be dealt with are:

1. How to match Soviet launcher numbers with US warhead numbers in terms of the unit of account;
2. How to strike the balance between limits on the destructive capability of Soviet missiles and limits on current US advantages in heavy bombers (including heavy bombers with ALCMs);
3. How to deal with the Soviet Backfire bomber;
4. How to deal with nuclear long-range SLCMs.

But the prospects for progress in START do not depend primarily on these technical issues. The real question is whether, after failing in their objectives in INF, the Russians will be willing to negotiate for an early agreement in START during the year of a US Presidential election campaign. Even if the Russians wish to do so, it seems very likely that they will have to make some adjustment in their START negotiating position to take account of the fact that they have not succeeded in preventing NATO's LRINF deployment programme. It is thus possible that the Russians will seek to re-introduce the GLCM/Pershing 2 factor in the START context, which in turn would

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oblige the US to consider some analogous move vis-a-vis the Soviet SS20.

In technical terms again, this complication could probably be accommodated. But it is by no means self-evident that the prospects for an outline agreement in such a modified START negotiation would therefore be improved in the short term. Moreover, some American analysts take the view that the Russians will not wish to do anything too early in strategic arms control which might improve President Reagan's prospects of re-election. On the other hand, if they hold off until they are convinced that President Reagan is going to win anyway, it may be too late to achieve a breakthrough during 1984.

If the Russians decide to stay away from the INF negotiating table for any length of time, the focus for public expectation on nuclear arms control will turn naturally to START. This will happen regardless of whether the Pershing 2/GLCM and SS20 problem has itself been transposed to an enlarged START context ("merger"). We should also recognise that in so far as the British/French nuclear deterrents are seen as having been one of the stumbling blocks to agreement on INF, this question is likely to recur with renewed force in START. HMG will be pressed to be more specific about the circumstances in which we would acknowledge the relevance of arms control to the British strategic deterrent, if we argue (as we shall have to) that it has no place in START any more than in INF. The Trudeau initiative for a five-power nuclear conference is a portent. Forthcoming decisions on UK Trident configuration and any consequences for arms control will be relevant.

INF

(Note by FCO/MOD Officials)

State of the Negotiations

1. The negotiations were discontinued on 23 November when the Soviet delegation walked out following the Bundestag vote in favour of deployments. A Soviet statement on 24 November issued in the name of Andropov has said that further participation in the talks on limiting nuclear arms in Europe was impossible. The counter-measures announced in the same Soviet statement were:-

- (a) Abrogation of the moratorium on deployment of medium range nuclear weapons in the European part of the USSR;
- (b) Acceleration of preparatory work to deploy in Czechoslovakia and the GDR "operational - tactical missiles of increased range" (this is thought to mean the SS23 replacement of Scud; and the 900 km SS22 replacement of SS12/Scaleboard which has up to now been deployed only in the Soviet Union);
- (c) Soviet systems to be deployed "in ocean areas and in seas" (it is not clear whether this means some modification in planned SSBN deployments or the introduction of Soviet SLCMs which, it is estimated, will be deployable from 1984).

The statement also says that other (unidentified) measures would be taken.

2. At the time that the negotiations were discontinued, the respective negotiation positions were as follows:-

3. The US Position. Readiness to consider any interim solution on the way to zero, provided it would respect key principles of balance, exclusion of third party systems, no shifting of the problem eastwards, verification and no degradation of NATO's conventional capability. This position was refined in September by making it clear to the Russians that

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in any interim solution an appropriate proportion of Pershing 2s would be reduced, some limitations on longer range INF aircraft could be considered, and that within a global ceiling the US would deploy in Europe a number which matched (but did not exceed) the SS20s which the Russians would deploy from their global entitlement against NATO Europe. On an illustrative basis, the Americans suggested that the global LRINF missile warhead ceiling on each side might be 420, with the expectation that the proportions deployed by the Russians in the West and in the East respectively would be of the order of two-thirds to one third.

4. The Soviet Position. Towards the end of the last round the Russians had modified their version of the balance of so-called medium range systems in Europe. They dropped their claim to include on the Western side the FB1-11 bombers based in the US, the US F4 Phantom aircraft in Europe and also reduced their count for A6 and A7 carrier-based aircraft within range of the Soviet Union. They had earlier accepted that the UK Vulcan aircraft were no longer relevant even by their own criteria. The result of the Soviet adjustment is to leave NATO, by the Russians' own admission, with only half as many medium range systems as the Soviet Union even if all the British and French missiles and aircraft are included. This is a notable acknowledgement that their earlier statement of the so-called balance was spurious.

5. The substantive Soviet negotiating position remained to the end an attempt to secure agreement for a continuing high number of SS20s facing Europe, with no new US deployments permitted. But during the last round the Russians twice reduced the precise number. First from 162 missiles (their calculation of the number of British and French missile launchers) to 140 (allowing 420 SS20 warheads, which is the Soviet calculation of British and French warhead numbers). Then in an ambiguous series

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of informal contacts with Ambassador Nitze on 12/13 November the Russians appeared to offer to reduce SS20s in Europe to 122 provided the whole of NATO's deployment programme was cancelled: this they described as each side reducing by a figure of 572 warheads. The earlier version of this offer (subsequently disavowed publicly) appeared to "concede" that no reference to British or French systems need be made in an INF agreement and that the 122 SS20s in Europe could be offset against any future Soviet claim in another negotiating context to seek compensation for British and French systems. But since the Russians still wished to preserve a monopoly of SS20s here and now, the "concession" was little more than a play on words. The Russians did not sustain this line and indeed have since tried widely to give the impression that the idea came from the Americans in the first place.

PRESIDENT REAGAN'S STAR WARS SPEECH OF 23 MARCH: NEW
DEPARTURES ON STRATEGIC DEFENCE

(Note by FCO/MOD Officials)

1. In his speech of 23 March about a comprehensive and long term effort to develop a programme of defensive measures against offensive nuclear missiles, President Reagan undertook that the US would act in a manner "consistent with our obligations under the ABM Treaty and recognising the need for close consultations with our Allies". In his message to the Prime Minister of the same date, President Reagan said he was very conscious that strategic defensive systems raised certain problems and ambiguities. In a message to the Secretary of State for Defence of 25 March, Mr Weinberger affirmed that the Administration would wish to explain to the UK in more detail American thinking about the new effort launched by the President. He undertook to provide additional information on the initiative and to suggest appropriate consultation arrangements.

2. Since then there have been some bilateral contacts between British and American technical experts, but otherwise no real consultation on the wider policy issues involved, though the Americans were due to raise the subject at NATO Ministerial meetings in Brussels attended by the Foreign and the Defence Secretaries last week. As Mr Heseltine pointed out to the US Deputy Secretary of Defence on 21 October, the implications could be very far reaching. Apart from wider questions affecting Western security strategy and deterrence policy, there are also implications for the future of the ABM treaty in its current form, which in turn could affect the credibility and indeed the viability of Britain's independent strategic nuclear deterrent in the longer run.

3. FCO and MOD officials have therefore prepared a short UK "non-Paper" setting out some of the political and technical questions which seem to us to be raised by President Reagan's 23 March initiative, and on which fuller information about US

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thinking is required if we are to be able to brief UK Ministers properly. This "non-Paper" will be passed shortly at official level to the State Department and Department of Defence via HM Embassy at Washington.

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MULTILATERAL DISARMAMENT: ISSUES ACTIVE AT THE CONFERENCE
ON DISARMAMENT (CD)

(Note by FCO/MOD Officials)

I. Introduction

1. In contrast to the major East/West negotiations, few areas of wider multilateral diplomacy offer prospects for arms control or disarmament which would be consistent with UK national interests. Only in the chemical weapons (CW) negotiations in the CD, and perhaps in discussions on arms control in outer space within the same forum, have we a good chance of advancing these. For the rest the UK, the US and to a lesser extent the rest of NATO remain on the defensive. The reason is that the chief interest of others in multilateral disarmament remains constraints on or the abolition of nuclear weapons. The neutrals and non-aligned (NNA) use these fora to concentrate on nuclear issues since the UN and the CD are the only places where they hold a hand, however poor, at the negotiating table; the Warsaw Pact countries do the same because these fora provide them with much greater propaganda opportunities than they do to the West.

II. Conference on Disarmament (CD)

2. The former Committee on Disarmament will be retitled the Conference when its next session starts in February. The 40 present members are divided between the Western Group (10), the NNA (21), China, and the East (8). Despite being "the single multilateral negotiating forum", it has in the four years of its existence produced no results. The sole prospect for an immediate agreement, a Radiological Weapons Convention of which a skeleton outline has already been agreed between the US and the Soviet Union, has been blocked for two years by NNA insistence that it deal also with wider issues. UK interests are focussed mainly on the negotiations for a total ban on chemical weapons, and - depending on the US attitude - on prospects for some progress towards arms control on military developments in outer space. Another key UK interest, nuclear testing, is

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increasingly under threat from pressure within the CD for new constraints.

III. Chemical Weapons (CW)

3. The CD's CW Working Group will resume negotiations in January on a comprehensive CW ban. Given the threat from the massive Soviet superiority in these weapons, and reports of their use in areas of Asia controlled by Communist governments, a total ban would be a major gain for Western security interests, as well as bringing presentational advantage. Verification is the main stumbling block in the negotiations, with the Russians proposing the minimum degree of on-site inspection and the West the opposite. To capitalise on strong NNA support and to put pressure on the Russians, we have proposed to our Allies that early next session the West should table a new range of proposals on verification. For our part, we intend to table a paper in February on the crucial issue of challenge inspection in cases of suspected non-compliance. The extent of serious Soviet interest in an agreement remains unclear. The failure of the US Congress to provide funds for future binary production has reduced Western leverage on the Soviet Union.

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IV. Arms Control and Outer Space

4. There is growing pressure from the NNA and all our Allies except the US for some form of restraints on military developments in outer space. The French, Canadians and Italians have made proposals in this sense; the NNA are calling for the demilitarisation of space and its dedication exclusively to peaceful purposes; and the Russians have tabled at the UN proposals for the non-use of force in space, the abolition of anti-satellite (ASAT) capabilities and other sweeping measures. Only the US remain opposed, or at best sceptical about the merits of arms control in this area. This must influence our own view because of the need to protect the benefits we receive

5. In August the CD almost agreed on a mandate for a Working Group to discuss the prevention of an arms race in space. But at the last moment agreement was withheld by the East, probably because they did not wish attention diverted from the recently tabled Soviet draft Treaty. The Working Group is likely to be constituted at the start of the next session, with the Americans insisting on a very broad and non-negotiating mandate. The testing and deployment of nuclear weapons in space are already banned by previous treaties. There are two other areas on which there might be a temptation for the Working Group to focus: strategic defence (see separate note); and anti-satellite systems (ASATs). We have no interest in having these debated in the CD, and shall do our best to support the Americans in their inevitable efforts to prevent this.

6. In the latter category of ASATs, a British interest in seeking constraints is dictated by three factors: greater Western than Eastern dependence on satellites for intelligence

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and communications purposes; the danger of diverting defence resources and funds towards ASAT development and away from more important areas; and the risks of endangering strategic stability at a time of crisis as a result of US and Soviet ASAT competition. Neither side has yet developed or tested an ASAT system for use at high altitude. However, the Russians have already developed a low altitude ASAT capability. Starting in 1985 the Americans should start to have overtake them, but both political and strategic arguments demand that they establish at least a balance. Some Americans also entertain doubts about the verifiability of any ASAT agreement; an area which would certainly present problems.

7. Against the above background, it seems desirable to explore possible limits on the testing and deployment of ASATs at high altitude, coupled with potential limits at a later stage on low altitude ASATs, plus a range of other steps including confidence building measures. We believe that the Russians are genuinely concerned about the probable US technical superiority in this field, and, while not ready to let the US "win the arms race in outer space", would be seriously interested in some form of arms control. Detailed proposals will be put to Ministers separately. Any serious negotiation would eventually have to be done bilaterally between the Americans and the Russians. The CD is not a suitable forum to produce worthwhile results in this sensitive area. But some sort of role for the Conference may have to be accepted.

8. In the UN First Committee voting on a non-aligned/
Eastern resolution on outer space, the US were the only nation to vote against, and the UK the only one to abstain; 125 countries including the rest of our Allies voted in favour. Our isolation, largely dictated by the need to show some solidarity with the Americans, might have been avoided by better Western coordination. It provides some indication of

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the strength of international feeling on the subject and of the opposition the Americans face.

V. Nuclear Testing

9. We and the US believe that a comprehensive test ban (CTB) at this stage would not be in our interests. It would not be fully verifiable and would prevent us conducting the tests essential to maintain the credibility of our national deterrent. However, our obligations under the 1963 Partial Test Ban Treaty commit us publicly to continuing to pursue restraints on testing. Until and unless our deterrent is included in some arms control context, negotiation on testing is arguably the only direct way in which we will also fulfil our NPT obligations to pursue nuclear disarmament. The Russians, the NNA and now a number of our Allies reject our public line that, until adequate verification provisions are available, there can be no negotiations on a Treaty. They argue that concluding a CTB is merely a matter of political will. This growing pressure on us and the US to resume negotiations will make our position at the next CD session increasingly uncomfortable.

10. Our two papers (on peaceful nuclear explosions and verification) tabled at the last CD session may help to ease our position temporarily; and US undertakings to play an active role may help. It would be more useful if the US were to pursue one or both proposals we have made to them repeatedly over the past two years: ratification of their limited Treaties (1974 and 1976) with the Soviet Union on nuclear testing; and some sort of degressive threshold for tests. But the chances of the present US Administration agreeing to do are not good. We must therefore resign ourselves to an uphill battle in the CD, keeping the focus where possible on verification problems and resisting attempts to dragoon us into new negotiations. We must also recognise that we and the Americans will be isolated, with most of our Allies increasingly reluctant to keep in step with us even in public.

NUCLEAR NON-PROLIFERATION

(Note by Officials)

The Present Situation

1. Preventing the spread of nuclear weapons is crucial to international security. Efforts to this end have two main components - the political and the practical: the Non-Proliferation Treaty (NPT) is fundamental to both. At the political level, we endeavour to persuade other nations to forego the nuclear weapon option; and adherence to the NPT is the touchstone of their commitment to a non-nuclear course. We also rely on practical measures to prevent easy access to nuclear weapon technology and materials by those who have not renounced the nuclear weapons option; the international safeguards and export control systems, derived from the Treaty, provide a basis for achieving this without totally stifling the world's peaceful nuclear trade.

2. Preservation and improvement of the non-proliferation regime involves a constant diplomatic battle in various multilateral fora. There are three main threads running through all the discussions:-

Firstly, the search for an international consensus on the importance of a strong non-proliferation regime, backed up by effective IAEA safeguards and balanced by assured nuclear supplies, for peaceful uses. The main signs of progress would be further significant accessions to the NPT, which now has more than 120 parties, and the negotiation of new or improved safeguards agreements between individual countries and the IAEA.

Secondly, the imposition of supplier controls in an attempt to deny to those states which reject the non-proliferation consensus key items of material, plant or technology related to nuclear weapon production. The main tools for this purpose have been the Nuclear Suppliers Guidelines and ad hoc supplier meetings. Unfortunately, activities in this sphere have tended to damage the consensus by

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giving the appearance of the creation of a supplier cartel. The most enthusiastic deniers, such as the United States, have also been prepared to extend their policies in this field to the point where they even threaten damage to the peaceful nuclear activities of their friends in Western Europe and Japan. Another problem has been a tendency for commercial considerations to over-ride non-proliferation interests.

Thirdly, the skilful attempts of the principal rejectors of consensus, such as India, Pakistan and Argentina, to unravel the whole non-proliferation regime and in particular to undermine the NPT. They do this by disinformation and misrepresentation of the intentions and effects of the Nuclear Suppliers Group. They also make much capital out of the lack of progress in nuclear disarmament, which they categorise as a breach of the "bargain" under which the Non-Nuclear Weapon States supposedly gave up the nuclear weapons option in return for nuclear disarmament by the existing Nuclear Weapon States.

3. Non-Proliferation discussion and negotiation is carried on in several separate and only partially connected fora. Detailed discussion on horizontal proliferation occurs mostly in the International Atomic Energy Agency (IAEA) - at meetings of the Board of Governors; at the Annual General Conference; in the Committee on Assurances of Supply; and in specialised expert groups. Discussion at the United Nations General Assembly and in the Committee on Disarmament tends to be of a general nature and simply to reflect positions taken in the more specialised fora. However, critics of the NPT and the IAEA safeguards system have attempted to create a new forum in the proposed United Nations Conference for the Promotion of International Cooperation in the Peaceful Uses of Nuclear Energy. It has now been agreed that this Conference will meet in 1986 with Preparatory Committee meetings in 1984 and 1985.

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4. Matters needing immediate attention are the commencement of the third review of the NPT and the US proposal that nuclear suppliers should hold a new series of meetings to discuss further conditions for nuclear supply:-

(i) NPT Review. The NPT, which came into force in 1970, has an initial life of 25 years and has a provision for regular review every fifth year. The first Review Conference in 1975 agreed a final declaration. The second, in 1980, failed to agree, largely because of the high level of criticism of the Nuclear Weapon States by the developing countries over failure to make progress regarding nuclear disarmament (Article VI), and apparent lack of commitment to share their nuclear expertise (Article IV). Supporters of the Treaty are now concerned lest the Review Conference in 1985 should continue the downward trend, thus making it unlikely that the Treaty would be renewed in 1995. The Preparatory Committee will meet three times before the Review Conference, twice in 1984 and once in 1985. There is considerable concern amongst our Western partners about the need to prepare a strong credible agreed position in good time before discussions begin in earnest, probably at the second Preparatory Committee meeting.

(ii) US Proposal. President Reagan has twice written to friendly Heads of Government in the course of 1983 to propose the adoption by the nuclear suppliers of the requirement that any state wishing to acquire significant supplies of nuclear material, or significant items of nuclear plant, should first agree to the application of IAEA safeguards to all nuclear facilities on its territory ("comprehensive safeguards"). There has been concern amongst our Western partners that a series of meetings to discuss such a proposal might have a serious negative impact on third world attitudes to the third NPT Review Conference. However, all our partners agree that we cannot

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refuse to cooperate with the US in this matter and that we should agree to participate.

Recommendations

5. Ministers are invited to agree that:

(i) the UK line in discussions of non-proliferation should be based on the following propositions:-

(a) the Non-Proliferation Treaty is working well. Proliferation is being contained (only one new state has exploded a nuclear device in the last 19 years). It must be in the interests of all states to maintain this situation, irrespective of other developments.

(b) the UK recognises its commitment "to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament" as called for by NPT Article VI. However, the difficulties being experienced in this endeavour must not be allowed to detract from (a) above.

(c) parties to the NPT have given important undertakings which should be recognised by suppliers when setting conditions of supply. In some cases this will mean positive discrimination in favour of NPT parties.

(d) our support for the NPT does not mean that we are not prepared to discuss non-proliferation and nuclear supply issues with non-parties, or to trade with them under appropriate conditions. However, our attitude will be consistent with the undertakings we have given to NPT parties and our appreciation for their support for our non-proliferation objectives. We still believe that full-scope safeguards are the best basis for nuclear trade.

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- (ii) The UK should support and, where appropriate, initiate action designed to increase adherence to the NPT.
- (iii) In discussions among the nuclear suppliers, such as those proposed recently by the US, UK policy should be:
- (a) to support additional conditions on supplies of nuclear items to non-NPT Parties, provided our commercial interests are protected by the maintenance of a common position with all members of the Nuclear Suppliers Group (NSG).
 - (b) to support additional conditions for supplies to NPT Parties, if that is the only way to control the activities of problem countries, provided that our obligations under the Treaty are not breached and the benefits outweigh the damage which might be done to the Treaty among its members.
 - (c) to stress the importance of presenting the activities of the Suppliers Group in a way designed to minimise damage to the NPT, and to seek presentational improvements in the way existing Guidelines are applied.
- (iv) A Study Group should be established consisting of officials from FCO (Diplomatic and ODA), Department of Energy, Ministry of Defence and experts from UKAEA, CEGB etc, with the following mandate:

To identify options for increasing incentives for parties to the NPT to maintain their support and for non-parties to adhere, with particular regard to Article IV of the Treaty, (which enshrines the intention of the parties to cooperate in application of nuclear energy for peaceful purposes, "with due consideration for the needs of the developing areas of the world")

Such options should be examined for
diplomatic impact,

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scientific and technical soundness,
developmental value, and
cost, including source of finance.

The Group should report to Ministers by mid-February 1984. Meanwhile, UK representatives should do nothing which might imply commitment to provide resources or money for any new scheme for the benefit of NPT parties. Proposals by other states should be referred to the Group for assessment.