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PO -CH /GH/0122



PART A

Beginis: 28/2/83

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Phyria 1/9/85

CHANCELLOR'S PAPERS ON
COCOM AND OTHER DEFENCE
MATTERS

PO -CH /GH/0122

PART A

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CH/EXCHEQUER	
REC	- 1 MAR 1983 m/3
ACTION	Mr. Hewarton.
CC	YST. PST. MUSTC.
	Sir D. WASS.
	Mr. LITTLE.

(put)
C
[Handwritten signature]

Mr. Carey.
Mr. Unwin.
Mr. Lovelle.
Mrs. Medley-Miller.
Mr. Denison.
Mr. KITEATT.

Ref. A083/0676
PRIME MINISTER

East/West Economic Relations: Activity in COCOM following the Ending of the Pipeline Dispute

The Official Sub-Committee on Strategic Exports (ODO(SE)) has been examining the various issues that have arisen in COCOM following the ending of the dispute with the United States over the Siberian pipeline. The Chairman's report is attached.

2. It would be helpful to our negotiators in the COCOM discussions, above all in dealing with the Americans, if Ministers could note the present position, endorse certain specific results that have been achieved so far and approve the recommended United Kingdom approach to the next stage of the negotiations. The recommendations are set out in detail in paragraph 11 of the report.

3. In view of the intensive interdepartmental consultations that have gone into the report, it seems unlikely that OD will need to meet to discuss it. But a meeting can of course be arranged if you wish.

4. I am copying this minute to members of OD and to the Secretary of State for Industry.

ROBERT ARMSTRONG

ROBERT ARMSTRONG

28 February 1983

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EAST/WEST ECONOMIC RELATIONS: ACTIVITY IN COCOM
FOLLOWING THE ENDING OF THE PIPELINE DISPUTE

Note by the Chairman of the Sub-Committee
on Strategic Exports (ODO(SE))

INTRODUCTION

1. Under the terms of the 'Shultz non-paper' whose negotiation led to the ending of the Siberian pipeline dispute with the United States, the United Kingdom is committed to playing a full part in follow-up work on various aspects of East/West economic relations. Two of these relate to the transfer of technology from West to East and are to be undertaken in COCOM.

2. The two issues are -

a. "steps to enhance the effectiveness of our existing system for preventing the transfer of military-related technology to the East" which are under consideration in COCOM: the most important of these is the COCOM List Review. The Americans are seeking early progress on a number of priority items;

b. a study of "other high technology (OHT), including oil and gas equipment, the transfer of which could be inimical to our security", work on which has been slow to begin.

3. This report brings Ministers up to date on the work that is taking place within COCOM; and invites them to endorse the objectives which the United Kingdom negotiators are seeking to achieve.

GENERAL APPROACH

4. It is in our broad interest, following the pipeline dispute, for the Shultz proposals to make progress and for the United Kingdom to be seen to contribute constructively to this end. Similarly, we need to ensure, not only that the COCOM system is preserved, but also that the Americans do not come

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to feel so frustrated by the system's limitations that they seek to impose controls of their own. The pipeline sanctions were one example; and their apparent intention to maintain the extraterritorial jurisdiction of the United States Export Administration Act is another. This is the general background against which the specific COCOM related issues need to be considered.

COCOM LIST REVIEW

5. COCOM operates on the basis of unanimous decisions, taken in relation to agreed strategic criteria (see Annex A). The participating countries (ie NATO member states, less Iceland and Spain, but including Japan) implement the agreed controls through their own national legislation. List Reviews take place regularly at intervals of three to four years and usually last around ten months.

6. The present Review, like the earlier ones, is intended by all partners to up-date and make more effective controls on Warsaw Pact access to sensitive technology: it began in late 1982 and will last well into 1984 because of the number and scope of the mostly American proposals. Effective progress was an early objective of the Reagan Administration which first raised the subject at Ottawa in June 1981. They then sought a High Level Meeting (HLM) in January 1982 at which, inter alia, they attempted to extend the scope of COCOM controls by amending the strategic criteria to cover equipment and technology less directly relevant to the military balance. This proposal was overwhelmingly rejected. The HLM nevertheless agreed to up-date the embargo lists in the current List Review, to give priority attention to those items of greatest concern to the Americans (originally called "critical technologies" but now known as "priority items"), to streamline COCOM procedures, harmonise national control policies and improve enforcement.

7. Current positions on priority items are set out at Annex B. The Americans are exerting pressure for these proposals to be agreed and brought into effect as soon as possible; in practical terms this means they seek final, rather than conditional, agreement where this is possible before the end of the first round of the List Review and in advance of the next HLM, now likely in April 1983. Many of these proposals are broadly-worded and if adopted,

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would in some cases deliberately embargo non-strategic items. Discussions have therefore generally aimed at refining the American proposals in order to subject to control only those items directly relevant to the military potential of the Warsaw Pact. In this there has been considerable progress although problems have arisen which will be difficult to overcome (eg how to handle emerging technologies).

COCOM STUDY OF OTHER HIGH TECHNOLOGY (OHT)

8. As noted above, the present American Administration has persistently sought to extend the scope of COCOM controls to cover equipment and technology less directly relevant to the strategic balance. The priority proposal concerning marine and industrial gas turbines is an example (paragraph 11 of Annex B). Their call for a study of other high technology is undoubtedly aimed at bringing this equipment under control if, as they expect, the Europeans argue that it is not caught by the strategic criteria. They can be expected to maintain, or even increase, this pressure. The question, therefore, is how best to resist this, in the light of our undertaking to participate constructively in the OHT study (an undertaking that is without commitment on the outcome) without rekindling the passions evoked by the pipeline crisis and thereby putting at risk important British interests in the defence, nuclear, intelligence and technological fields where we are net beneficiaries in our exchanges with the United States.

9. In these circumstances, it seems essential that we should maintain a clear distinction between the on-going follow-up to the 1982 HLM, work which is directly related to the military balance and is central to COCOM's objectives, and the study of "other high technology" which is bound to be both contentious and divisive. In the latter case, we are concerned with a damage limitation exercise; and we should judge our approach accordingly. It is clear, for example, that we should aim, in discussion of OHT, to educate the Americans as well as listen to what they have to say. At the end of the day, the Americans may come to recognise that OHT transfers should be placed under some kind of oversight, rather than embargo.

NEGOTIATING MODALITIES

10. With these considerations in mind, the following guidance might be given to our negotiators in dealing with the Americans over both priority items and the OHT study -

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i. We should resist the idea that, in the OHT study, discussion of detailed proposals for the control of specific technologies should take place in advance of discussion of whether they should be controlled at all. And, while it would be useful to address the question of emerging technologies, this should be done by reference to the existing strategic criteria.

ii. As a general rule, we should undertake to examine United States proposals on their merits, relating them to our own independent analysis of the risks, costs and benefits of permitting the technology in question to be transferred from West to East. Steps are being taken to strengthen our intelligence gathering and analytical capacity in this regard. Both are essential if we are to develop a capacity for independent judgement and are to be seen by the United States to be addressing the problem seriously.

iii. Where we judge that the Americans have a good case, we should support them vigorously and not, as hitherto, adopt a stance that is merely passive. We should also be as helpful as possible over procedural matters where these cost us nothing in terms of substance.

iv. We should avoid becoming detached from our European Community partners. On all the main issues, France and Federal Republic of Germany can be expected to be negative and we should exploit this fact to avoid exposing or isolating ourselves.

v. We should remain alert to the danger that the Americans might threaten our (and others') interests in other areas if they thought we or other COCOM partners were being insufficiently forthcoming; and Ministers should be alerted if and when any such retaliation seems likely.

RECOMMENDATIONS

11. Bearing in mind that work on COCOM is important in its own right and that (together with OHT) it is one of the main elements in the so-called Shultz package, Ministers are invited to -

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- a. note the progress made so far on the current List Review; and that officials will seek further guidance as necessary;
- b. authorise the United Kingdom representative to agree to the priority proposals in Annex B relating to spacecraft, silicon, vanadium, aero-engines (if United Kingdom provisions for existing contracts are accepted) and floating dry-docks (if a consensus develops), to be implemented by amendments to the Export of Goods (Controls) Order 1981;
- c. endorse the United Kingdom position on those priority items on which no agreement has yet been reached and note that further guidance from Ministers will be sought as the situation develops;
- d. endorse the guidance to United Kingdom negotiators in paragraph 10 above.

Signed A D S GOODALL

Cabinet Office
24 February 1983

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ANNEX A

STRATEGIC CRITERIA (Dated 11 April 1978)

The purpose of the embargo is to restrict the export of only those goods and technologies conforming with the three strategic criteria, provided they are such as to make a significant contribution to the military potential of proscribed destinations and thus have an adverse effect on the security of the member states.

- a. Materials, equipment and technologies which are designed specially or in peacetime used principally for the development, production or utilisation of modern arms, ammunition or implements of war.
- b. Materials and equipment incorporating unique technological know-how, the acquisition of which by proscribed destinations may reasonably be expected to give significant direct assistance to the development and production in peacetime of modern arms, ammunition or implements of war, of their means of utilisation or delivery, or of counter-measures to them.
- c. Materials, equipment and technologies, of which proscribed destinations have a deficiency which may reasonably be expected to be critical in relation to the production in peacetime of modern arms, ammunition or implements of war, of their means of utilisation or delivery, or of counter-measures to them, and which they could not overcome within a reasonable period.

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COCOM LIST REVIEW: CURRENT POSITIONS ON PRIORITY ITEMS

1. Computers and software (including switching)

The most important item on which there is wide disagreement between the United States and the rest. Other members consider that the United States is seeking to impose an embargo going well beyond what is necessary for security reasons. Compromise proposals to be formulated and considered in the spring; agreement unlikely before the autumn.

2. Robotics

No agreement in sight, even on defining robots. The United States have proposed an interim overall ban on the export of robotics know-how. With the exception of robotics for direct military use, the United Kingdom is strongly opposed because robotics is one of a series of important new growth industries which Her Majesty's Government is actively encouraging and Eastern Europe is considered an important market by the industry.

3. Floating dry-docks

Widespread opposition on the grounds that dry-docks fall outside the strategic criteria. There is no technological gap between East and West, and large floating dry-docks can be obtained from countries outside COCOM. However, such dry-docks are used to support Soviet fleet operations in areas which they would otherwise have difficulty in covering. No United Kingdom commercial interest and we could support it if there is a general consensus. The key questions are whether the integrity of the strategic criteria can be protected and whether there is any prospect of United States or COCOM pressure persuading third countries not to sell such dry-docks to the Soviets.

4. Spacecraft and launch vehicles

The original United States proposal covered every type of satellite and rocket. (United States strategic concerns include surveillance and military command/communications uses, relevance to ballistic missile programmes and ability, through acquisition, to determine the West's capabilities and

limitations). While there is little United Kingdom commercial involvement with proscribed countries at the moment in spacecraft and launchers, we and other delegations have sought a definition limited to strategically important items. Some progress has been made in this direction and the United Kingdom can agree to the modified proposal.

5. Ceramics

Ceramics and their composites have a wide range of military and civil uses. This is a new item and considerable difficulty has been encountered in defining an acceptable boundary between civil and military uses. We await a Dutch redraft of the United States proposal.

6. Electronic grade silicon

Silicon is used in solar energy devices and nuclear radiation detectors and can be used for making sophisticated micro-circuits with many military applications. United Kingdom commercial interest lies chiefly in the equipment for "pulling" silicon crystals, and we accept that there are strategic reasons for controlling exports. The original United States proposal covered lower grades of silicon on which we felt controls would be unjustified. Having obtained a dispensation on these, we can agree to the United States proposal.

7. Gas turbine aircraft engines

The strategic use of these engines is self-evident, but the United Kingdom has a major commercial interest in exports for civil airline use. The current United States proposal is that engines and technology shall only ever be freely exportable for civil purposes and that for military purposes they shall be controlled permanently (because even small sub-sonic aero-engines can have strategic uses, eg for cruise missiles). Officials consider that the United States proposal, which has already undergone some alteration at the table, can be accepted subject to an exclusion for Rolls Royce Viper engines for military use which are the subject of existing contractual obligations with Romania (jointly with Yugoslavia). This position was suggested to our COCOM partners during discussions last October without any obvious opposition at the table, and it has since been accepted by Rolls Royce. A form of words has been proposed in discussions and accepted ad referendum by ourselves, the United States and our other COCOM partners.

8. Advanced composites

A revised United States proposal is awaited on these materials which are increasingly used in modern armours and aircraft structures.

9. Metallurgical processes

This encompasses a range of proposals dealing with metalworking technology and a range of sensitive metals and the technologies for producing them. Constructive discussions have clarified thoughts on metal-working technology, aluminides, titanium, clad steel and refractory coatings, for which revised United States proposals are awaited. There is disagreement over "pressure pipes and tubes" (used, for example, in submarine snorkel exhaust and ballast blow piping systems) where our intelligence advice is that Soviet capabilities are greater than the United States thinks they are. On vanadium, however, the United States proposal as clarified and revised at the table can be accepted by the United Kingdom. Vanadium is being used in the development of a super-conducting multi-filament wire to be used in ship propulsion systems, aircraft power systems and certain types of thermonuclear reactors. Those United Kingdom companies who were likely to be interested said they would not be affected by the proposal which would control vanadium for the first time.

10. Printed Circuit Boards (PCBs) and related technology

Certain PCBs with electrical/mechanical characteristics for the mounting of very high speed and microwave devices and multi-layered boards could well have military applications. However, a PCB is the basic building block of the electronics industry. All equipment from simple domestic items, eg washing machines and cameras through to the most sophisticated computers use PCBs. There is therefore considerable United Kingdom commercial interest. A number of United Kingdom firms, who have specialised in exporting simple PCB manufactured systems to Eastern Europe would be hard hit by the United States proposal, which for the first time would embargo some machinery and equipment specially designed for the manufacture of PCBs and also extend existing controls on such equipment and on PCBs themselves. The United States proposal is too widely drawn and the United Kingdom has two specific problems. The first concerns what is meant by "memory" when associated

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with punched paper tape controllers. There is a danger that the simple punched paper tape control systems could become embargoed and the United States has been asked for clarification. The second problem relates to the design concept/logic structure of computers. The United Kingdom would have difficulty in agreeing to the PCB proposal before the relevant section in the computers item is agreed.

11. Marine and industrial gas turbine engines

Because these items depend on the outcome of the aero-engines proposal (which envisages controls on engines derived from aero-engine technology), only preliminary discussion has been possible in the List Review. We could have a major problem with the United States. Marine and industrial engines may also feature as a separate item (under OHT) in the Shultz studies. Rolls Royce and General Electric Company have substantial future potential in this field (for pipeline applications and power generation), particularly in the USSR: Ministers have been informed separately of Rolls Royce's interest in securing a contract for gas turbines for the Chelyabinsk gas pipeline. We propose to support any moves to make limits on export of marine gas turbine technology more specific. Since civil aero-engines are freely exportable to genuine civil end-users it would be illogical to adopt a more restrictive approach for industrial gas turbines. It appears that other COCOM members are likely to be sympathetic to our line, particularly our resistance to control of the export of industrial gas turbines themselves. We should therefore continue to oppose controls on exports of the turbines but support an embargo on exports of the sensitive technology involved in their manufacture.

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MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 01-218 2111/3 (Direct Dialling)

01-218 9000 (Switchboard)

pmp

MO 14/10

10 MAR 1983
Mr Hawtin
EST-EST-MSTK
TO
Sir D. Wors
Mr Liddle
Mr Carey
Mr Quinn
Mr Lavelle
Mr Halliday
Mr Miller
Mr Denison
Mr Trotter

9th March 1983

Dear John,

EAST/WEST ECONOMIC RELATIONS

My Secretary of State has noted the paper submitted to the Prime Minister by Sir Robert Armstrong on 28th February and is quite content with the recommendations.

I am copying this to the Private Secretaries of OD members, to Jonathan Spencer (DOI) and to Richard Hatfield.

Yours ever,

John Ridley

(J E RIDLEY) (MISS)

A J Coles Esq



10 DOWNING STREET

From the Private Secretary

22 July 1983

Dear Brian,

FOREIGN AFFAIRS AND DEFENCE: STRATEGY

In my letter of 27 June^{*} I described the agenda for the meetings at Chequers on 8 and 9 September and said that the Prime Minister would decide later who would be invited to participate.

Since I wrote that letter, the Prime Minister has given further thought to the form of the meetings and has reached the conclusion that it would be valuable to begin the two-day session with a meeting with some academic experts on East/West relations. She envisages this meeting lasting the whole of the morning of 8 September and the discussion continuing over lunch.

Mr. Michael Kaser of St. Antony's College has been invited to prepare the discussion and arrange for papers to be prepared. Invitations have been sent to a further seven academic experts. I shall let you know the names of the participants when we have a complete list of acceptances (I doubt whether all on our first list will in fact be available at that time).

In the light of the above it will be necessary to revise somewhat the agenda contained in my earlier letter. I enclose with this letter a new agenda and a list of participants whom the Prime Minister has asked me to invite.

It is necessary, for reasons of space, to keep the number of those attending within reasonable bounds. The meeting with academic experts is not intended to embrace defence aspects of East/West relations except incidentally. The Prime Minister would therefore not wish to trouble the Secretary of State for Defence and MOD officials with that part of the proceedings, but would be most grateful if, as indicated in the enclosed paper, they could arrive at Chequers for the afternoon internal policy discussion on East/West relations on 8 September. Should it prove necessary to extend this discussion it will continue on the morning of 9 September, taking some of the time reserved for Arms Control and Disarmament which, perhaps, will not need the whole morning.

/ I am copying

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-2-

I am copying this letter and enclosure to Richard Mottram (Ministry of Defence), Richard Hatfield (Cabinet Office), Jonathan Spencer (Department of Trade and Industry), John Kerr (HM Treasury) and Robert Lawson (MAFF). To those private secretaries who have not received earlier correspondence about the meetings, may I stress that the fact that these meetings are taking place should be closely guarded. We wish, in particular, to avoid any knowledge of them on the part of the media.

Yours ever

John Kerr.

Brian Fall, Esq.,
Foreign and Commonwealth Office.

CHEQUERS MEETINGS: 8 and 9 SEPTEMBER

8 SEPTEMBER: EAST/WEST RELATIONS

Morning (0900)

8 outside experts (see separate list)

Foreign and Commonwealth Secretary

Mr. Rifkind

Sir A. Acland

Sir J. Bullard

Sir Ian Sutherland (if available)

Mr. Mackintosh

Sir A. Parsons

Mr. Butler

Mr. Coles

Lunch (1300)

For all the above

Afternoon (1430) (to discuss papers and formulate a practical plan
of action)

Foreign and Commonwealth Secretary

Mr. Rifkind

Sir A. Acland

Sir J. Bullard

Sir Ian Sutherland (if available)

Mr. Cartledge

Defence Secretary

Sir C. Whitmore

CDS

Mr. Blelloch

Mr. Goodall

Mr. Mackintosh

Sir A. Parsons

Mr. Butler

Mr. Coles

9 SEPTEMBER

Morning (0930) (Arms Control and Disarmament)

Foreign and Commonwealth Secretary

Lady Young

Mr. Luce

Sir A. Acland

Sir J. Bullard

Sir Ian Sutherland (if available)

Mr. Cartledge

Defence Secretary

Sir C. Whitmore

CDS

Mr. Blelloch

Mr. Goodall

Mr. Mackintosh

Sir A. Parsons

Mr. Butler

Mr. Coles

Lunch (1300)

The above plus the Trade Secretary, Mr. Pattie and Mr. Egerton

Afternoon (1430) (The Middle East)

Foreign and Commonwealth Secretary

Lady Young

Mr. Luce

Sir A. Acland

Sir J. Bullard

Sir J. Craig (if available)

Mr. Egerton

Defence Secretary

Sir C. Whitmore

Mr. Pattie

Trade Secretary

Mr. Goodall

Sir A. Parsons

Mr. Butler

Mr. Coles

9 SEPTEMBER (Contd)

1600 approx

The European Community

Foreign and Commonwealth Secretary

Mr. Rifkind

Sir A. Acland

Sir J. Bullard

Sir M. Butler

Mr. Hannay

Chancellor of the Exchequer

Mr. Littler

Minister of Agriculture

Mr. Williamson

Sir A. Parsons

Mr. Butler

Mr. Coles

Ref. A083/2287
 PRIME MINISTER

Security Export Controls

CHECKED	
- 2 AUG 1983	
TO	MRS CASE
COPIES TO	CST. FST. MIST.
	MR MIDDLETON, MR LITTLE,
	MR CAREY, MR UNWIN, MR LAVER,
	MRS HEDLEY-MILLER, MR DEWISON,
	MR KILLATT

--- The attached report by the Chairman of the Official Sub-Committee on Strategic Exports invites Ministers to note the progress made in the COCOM List Review since I last reported to you (my minute of 28 February 1983); to confirm that they attach priority to the enforcement of security export controls; to agree the implementation of a package of measures devised to strengthen the United Kingdom's capability to enforce security export controls, and to endorse other actions being taken to strengthen this capability. The recommendations are set out at paragraph 9 of the report.

2. The resource implications of the measures proposed are relatively small, involving at most the allocation of some thirty staff at a cost of £300,000 to duties connected with enforcement. It could be argued that this is the least the United Kingdom should be prepared to do by way of allocating increased resources to a task which is important not only in its own right, but also for our general relationship with the United States. The Departments concerned (Trade and Industry and HM Customs and Excise) will discuss with the Treasury how the additional resources are to be provided. If irreconcilable conflicts of priority emerge, the matter will be referred back to Ministers.

3. In view of the intensive interdepartmental consultations that have gone into the report, it seems unlikely that OD will need to meet to discuss it; but a meeting could be arranged after the Recess if you wish.

4. I am copying this minute to members of OD.

ROBERT ARMSTRONG

ROBERT ARMSTRONG

29 July 1983

SECRET

SECURITY EXPORT CONTROLS

Note by the Chairman of the Sub-Committee on Strategic Exports

Background

1. With his minute of 28 February 1983, the Secretary of the Cabinet forwarded to members of the Defence and Oversea Policy Committee my report on the various issues that had arisen within COCOM following the ending of the dispute with the United States over the Siberian pipeline. Ministers noted the position that had been reached, endorsed certain specific results which had been achieved, and approved the recommended United Kingdom approach to the next stage of the negotiations within COCOM. Since February, the first round of the COCOM List Review has been completed. The second round will begin in September, and a number of potentially difficult issues, particularly as regards their effect on relations between the United States and other COCOM countries, will need to be addressed. Details are at Annex A. The United Kingdom's detailed negotiating position on these issues will be presented for Ministerial endorsement in early September.

The United Kingdom's capability to enforce Security Export Controls

2. In the meantime, officials have been examining the United Kingdom's capability to enforce security export controls. An effective capability is important for a number of reasons. It is in the United Kingdom's own security and economic interests that the Soviet bloc's military capability should not be enhanced by the illicit acquisition of western advanced technology. It is also in our interest to be able to demonstrate to the United States that we share, and are taking seriously, their concerns in this area; if they felt that our response to the present position was unsatisfactory they might be driven to take retaliatory measures which would be damaging to our defence interests and to British industry, as well as being detrimental to the general Anglo/American relationship. Finally, it is in our interests to be able effectively to prevent the export of such advanced technology as is subject to export control: the law must not be flouted with impunity.

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3. An interdepartmental Working Party, under Cabinet Office chairmanship, has accordingly reviewed the United Kingdom's existing capability for enforcement of security export controls. Its broad conclusion was that there was a need to strengthen the existing enforcement activities and make them more effective rather than to introduce new controls. (The conclusions and recommendations are reproduced at Annex B). It recommended that -

- a. experts in high technology should be available to examine suspect shipments of goods at short notice;
- b. HM Customs and Excise should examine the scope for enhanced scrutiny of computer produced schedules of particular consignments for particular destinations;
- c. HM Customs and Excise should create a small team of specialist investigators;
- d. international co-operation with other enforcement agencies should be increased, particularly to tighten controls on exports to the Soviet bloc via third countries;
- e. There should be more co-operation within COCOM on enforcement;
- f. a confidential network of designated officials in the Foreign and Commonwealth Office, the Ministry of Defence, the Department of Trade and Industry and the intelligence agencies should be created;
- g. greater publicity should be given to the penalties to the West of technology transfer and to the increased steps being taken to prevent it;
- h. stiffer penalties for infractions should be introduced and prosecution be undertaken wherever the evidence seem sufficient to obtain a conviction;
- i. an inter-departmental enforcement unit should be created, co-ordinated by the Department of Trade and Industry and reporting to the Sub-Committee on Strategic Exports.

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4. If the United Kingdom decides to implement such a package of improvements, it will be important to persuade other COCOM members to take similar steps to improve their enforcement machinery so as to ensure that British exporters are not put at a disadvantage. The implementation of this package by the United Kingdom will not result in a water-tight system of export controls; evaders will continue to try to find ways around the system. Nevertheless, such a package would provide a significant deterrent to those seeking to breach the present arrangements. This would benefit the United Kingdom's interests and would probably go a long way to allay the concerns of the United States.

5. Of the nine measures identified four (a, b, c and d) have resource implications. The basic staff costs involved in implementing the package in full would amount to some £300,000 a year. Details are at Annex C. HM Customs and Excise, who would be most affected, do not believe that they can divert the resources needed to implement these recommendations without detriment to their other responsibilities. They remain under strong pressure to improve their controls in several other areas, for example drugs, textile and steel quotas, pornography, including "video nasties". But the option of implementing only the five measures which have no resource implications would be insufficient to effect an improvement and be largely cosmetic; all nine measures are needed if they are to be effective. Accordingly, Ministers are invited to endorse the implementation of the package as a whole, subject to further consideration of those measures with resource implications between Departments concerned and the Treasury.

6. The implications of the Working Party's report are being drawn to the attention of the Joint Intelligence Committee.

Related matters

7. Ministers will also wish to be aware that in order to strengthen the Ministry of Defence's analytic capability in the field of technology transfer. Approval is being sought separately within the Ministry of Defence for the establishment of a small technology transfer unit within the Defence Intelligence Staff. The task of the unit will be to analyse the target areas to which the Soviet Union attaches high priority; in consultation with other

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Departments to advise our representatives in COCOM; and to supply up to date information to the enforcement agencies. Work is also in hand to examine the effectiveness of the United Kingdom's arrangements for vetting applications for visas for Soviet bloc scientific visitors to enter this country.

Conclusion

8. Unless our enforcement machinery is strengthened, and a high priority attached to work in this field, the United Kingdom risks a number of consequences all of which would be damaging to British interests. We should be failing to implement our COCOM undertakings and failing to help check the illegal flow of high technology to the Soviet bloc. This would be damaging to our defence and strategic interests; damaging in particular to our relationships with the United States; and damaging to British industry.

Recommendations

9. Ministers are invited to -

- a. confirm that they attach high priority to the strengthening of our enforcement arrangements;
- b. note the progress made so far on the current COCOM List Review; and that officials will seek further guidance as necessary;
- c. agree in principle the implementation of the package of measures set out in paragraph 3, subject to further consideration of those measures with resource implications between Departments concerned and the Treasury;
- d. endorse the other actions, described in paragraph 7, which are being taken to strengthen the United Kingdom's capability for security export control.

Signed A D S.GOODALL

Cabinet Office
28 July 1983

SECRET

ACTIVITY IN COCOM FOLLOWING THE ENDING OF THE PIPELINE DISPUTE

Introduction

This note summarises the position reached in COCOM on the issues set out in the report dated 24 February 1983.

List Review

The first round of the current List Review has been completed. Agreement has been reached on a number of items including a tightening of controls on printed circuit boards, and the introduction of new controls on ceramics and spacecraft. As agreed at the COCOM High Level Meeting in April, controls on these items will be introduced by member governments in the autumn. Appendix 1 lists items which have been agreed unanimously or are likely to be agreed in the near future. These have been considered interdepartmentally and are now all acceptable to the United Kingdom; they need to be put into effect by making the necessary amendments to the Export of Goods (Control) Order.

The second round of the Review will start in September with more than half of the total task still to complete. Agreement needs to be reached on a number of important items including computers, robotics, automated industrial control systems and gas turbines. For many items it will be necessary to reach agreement on definitions (for example there is still a need to define features of robot systems) as well as on the substantive issue of how far new controls should extend. Substantial differences between the United States and other COCOM members will have to be reconciled. The British computer industry has already made it clear that it would prefer to continue with the existing unsatisfactory COCOM List entry for computers rather than accept the present United States proposals over software as well as hardware. Ministers will be asked in September to endorse instructions for the United Kingdom negotiations during the second round.

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Other High Technology (including oil and gas)

Detailed consideration of the United States' proposal for control of certain exports of oil and gas equipment and technology has been put off until January 1984 to avoid impeding the progress of the List Review.

Inventory of Emerging Technologies

Agreement has been reached in principle to establish an inventory to give early warning of technologies in the early stages of development the export of which may need to be controlled at a later date. Further discussion has been put off until January. The United Kingdom has now implemented the control of technologies relating to existing List items.

Enforcement and Harmonisation

The COCOM Sub-Committee on Enforcement and Harmonisation will meet at a senior level at the end of September.

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Appendix 1 to ANNEX A

COCOM LIST REVIEW: INTERIM CHANGES

I Industrial List

a. Unanimous Agreement reached on -

- 1300 Machinery for manufacturing printed circuit boards - new item covering sophisticated equipment in this area.
- 1357 Filament Winding Machines (used in the production of materials for rocket motor casings, torpedo bodies and submarine hulls) - limited extension of existing controls.
- 1400 Spacecraft and launch vehicles - new item
- 1564 Substrates for printed circuit boards (viz, high quality versions of the basic component of printed circuit boards, to be used in eg ruggedized military computers or high frequency devices) - extends existing controls to ceramic and metal substrates.
- 1700 Ceramics (for use in high temperature applications in eg aerospace engines and space technology) - new item covering ceramics and precursor materials.
- 1701 Lead Azide (used in manufacture of detonators and initiators) - to be decontrolled because of equivalent Bloc capability.
- 1715 Boron (partial deletion; boron carbide boron nitride and certain borides) now to be covered under List No 1700 ceramics.
- 1757 Compounds and materials (silicon for use in production of advanced microcircuits) - amends and up-dates existing control.

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1763 Fibrous and filamentary materials (for, eg, helicopter drive shafts and other lightweight load-bearing structures, and filament-wound aerospace products) - extends existing control to cover newly developed composite materials.

B Agreement near on:

1300 Manufactures of ceramic material (for use with other materials in eg aerospace and marine propulsion units) - new item. (Netherlands outstanding.)

1400 Floating Docks - new item intended to cover naval applications, (Netherlands and Norway outstanding).

1460 Aircraft engines - tightens existing control permanently to cover military gas turbines. (France outstanding).

1600 Vanadium (used in production of super conduction filament wire used in, eg, shipboard propulsion, power sources for directed energy weapons). (France and Japan outstanding).

II Military List

All twenty existing items in the Military List have been subject to proposals for 'redefinition' (mostly amendments of an editorial nature in the interests of clarity) and the United States have proposed two new items covering artificial graphites and laser systems. Agreement is not expected to be difficult to achieve on any of these proposals, and indeed has already been reached on the following, which entail editorial changes only unless shown otherwise -

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- ML2 - Large calibre armaments
- ML5 - Fire control equipment and rangefinders
- ML7 - Toxicological agents and tear gas
- ML10 - Aircraft and Helicopters
- ML14 - Specialised Military training equipment
- ML17 - Miscellaneous Equipment and Materials (United States proposal to delete bayonets agreed since neither bayonets nor their materials of manufacture are considered developing technology and are of minimal strategic concern)
- ML19 - Environmental chambers

In addition, the United Kingdom has agreed to the proposed amendments to the following items, on which confirmation by other countries is still awaited -

- ML3 - Ammunition (Belgium, France and Japan awaited)
- ML4 - Bombs, Torpedoes, Rockets and Missiles (France and Japan awaited)
- ML6 - Tanks and Vehicles (France awaited)
- ML15 - Military Infrared and Image intensifier equipment (Canada and Denmark awaited)
- ML18 - Production equipment for ML items (Denmark and Italy awaited)
- ML N12 - Laser systems (Denmark, France and Japan awaited).

On the remaining items discussions are still continuing -

- ML - Small Arms and Machine guns
Belgium is reconsidering its proposal to exempt sporting guns because of the difficulty in differentiating between military end uses.
- ML8 - Powders, Explosives, Propellants and Fuels
The United States are to redraft their proposal to avoid both double coverage with Industrial List items, and embargoing certain general commercial substances.

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- ML9 - Vessels of War and Special Naval Equipment
The United States are to redraft their proposed inclusion of Steel Alloys and Hull Penetrating fittings because of suggestions that these should be (or are already) covered by the Industrial List.
- ML11 - Electronic Equipment
The United States proposal to include computer software caused some difficulties over whether this should be included in the Industrial List item on Computers. A United States proposal clarifying existing definition agreed.
- ML12 - Photographic Equipment
United States proposed inclusion of Infra Red Line Scanners was redrafted at the table, and awaits agreement from capitals.
- ML13 - Special Armoured Equipment
United States to produce a revised version of their new definition of 'Armour Plate'. Belgium concerned that the sale of body armour for police use will be allowed.
- ML16 - Munitions components and materials
This item is to be amended since sub-item a. is now covered by ML4.
- ML20 - Cryogenic equipment
The United States proposal is close to agreement, but revisions required since coverage in the Industrial List is considered more appropriate.
- MLNI1- Artificial Graphites
These substances are now to be covered by ML4 so the United States proposal will be withdrawn.

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ANNEX B

PART E: CONCLUSIONS AND RECOMMENDATIONS

68. The Working Party's broad conclusion is that there is clear scope for improving and tightening the enforcement of COCOM controls by the British authorities. Some of these improvements would require the allocation of further resources, in terms both of money and manpower; others may be achievable by reordering priorities and switching current resources. The Working Party stresses that publicity is a vital ingredient, necessary both to convince the United States and other allies that energetic steps to tighten up are being taken and to deter potential offenders. The equivalent American enforcement programme, including Operation Exodus, owes much to publicity and presentation although it also involved the recruitment of 160 additional enforcement officers in the seven month period from March to October 1982.

69. The Working Party's detailed conclusions are as follows.

Physical examination and control

70. The scope and value of increased physical control is clearly limited unless it can be targetted by accurate intelligence. Random blitzes are ineffective and would cause unacceptable disruption to trade. There is a prima facie need for experts in high technology to be available at short notice to examine particular shipments in order to determine their true identity; this task is beyond most Customs Officers.

Document verification

71. Pre-entering of shipments by exporters and improved legibility and accuracy of trade descriptions are pre-conditions for improvements in this area. If they can be achieved, Customs should concentrate more than in the past on uncovering potential misdescriptions. There could also be scope for enhanced scrutiny of computer prepared schedules if further resources were to be made available. A particular problem which should be further examined is the mismatch between TTC headings and the listing of controlled strategic goods. If this could be corrected, computer scrutiny would be much more effective.

Enhanced investigative activity into suspect firms

72. Improved information and intelligence, with more rigorous but selective follow-up of suspect firms, hold the key to improved licensing control and enforcement. Customs should pursue the possibility of setting up a small team of specialist investigators. There is room for greater co-ordination between our own and the enforcement agencies of other countries, in particular to tighten up on diversions through third countries. There is scope for more regular exchanges between enforcement officials in COCOM capitals. Further initiatives in this whole area in COCOM should be examined.

Improved information on suspect transactions

73. Similar considerations apply to controlling and checking individual shipments and transactions, on a routine operational basis. A confidential network of designated officials in the DTI, MOD, FCO, Customs and the intelligence agencies, who can quickly and effectively exchange all relevant information, should be created, possibly including the setting up of a centralised data bank. The JIC machinery should review the intelligence requirement laid upon the intelligence community in this respect. Efforts should also be made to improve the exchange of information internationally. Advance information of US denial lists would be particularly valuable.

Publicity, including advice to businessmen

74. As already noted, publicity has a major role to play in improved enforcement. General awareness of COCOM controls, the reasons for them and the potential penalties for evasion should be increased. A better flow of information to and from industry is vital.

Sanctions/Penalties

75. Stiffer penalties for evasions are likely to be needed although they could not be introduced for COCOM offences in isolation. The Keith Committee on the enforcement powers of the Revenue Departments whose final report is expected later this year may have something to say on the subject of penalties

generally. Customs should be less willing to compound in future and more willing to give publicity to cases of evasion which come to light. The expulsion of Sovbloc intelligence officers when detected in unacceptable activity relating to technology transfer should continue.

Resource implications

76. As noted, many of the recommendations outlined above have significant resource implications for the Departments concerned. These are set out in Annex C. The case for increased resources should be considered by Ministers collectively; it would be unreasonable to expect individual Departments to bear the cost of a policy imposed for reasons which go beyond the confines of their own Departmental responsibilities.

Follow-up

77. A small inter-Departmental Enforcement Unit, coordinated by the DTI and reporting to ODO(SE), should be created. Its task should be to consider in greater detail and on a permanent basis the problems of improved enforcement which this report has identified.

Recommendations

78. The Working Party's recommendations are as follows:

- a. experts in high-technology should be available to examine suspect shipments at short notice (paras 45 and 70);
- b. Customs should examine the scope for enhanced scrutiny of computer schedules (paras 48, 49 and 71);
- c. Customs should create a small team of specialist investigators (paras 54 and 72);
- d. international cooperation with other enforcement agencies should be increased, particularly to tighten up on third-country diversion (paras 53 and 72)

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- e. COCOM should do more work in the field of enforcement (paras 52, 57 and 72);
- f. a confidential network of designated officials in the DTI, MOD, FCO and the intelligence agencies should be created (paras 56 and 73);
- g. greater publicity should be given to the penalties to the West of technology transfer and to the increased steps being taken to prevent it (paras 58 to 63 and 74);
- h. stiffer penalties for infractions should be introduced and the practice of compounding abandoned wherever possible (paras 64 to 67 and 75);
- i. an inter-Departmental Enforcement Unit should be created, coordinated by DTI and reporting to ODO(SE) (para 77).

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RESOURCE IMPLICATIONS OF WORKING PARTY'S RECOMMENDATIONS

- a. Experts in high technology to be available to examine suspect shipments*
An additional 2X Grade 1 Professional and Technical Officers (PTOs) for IT Division, DTI.

Annual staff costs would amount to £33,000

- b. Study of improved methods of scrutiny of computer prepared schedules
An additional complement of between 3 EOs (for a limited programme) and 3/EOs and 12 data processing operatives (for a more ambitious programme) for Customs and Excise. Annual staff costs for the limited scheme would be £37,000; for the more ambitious programme the cost would be £107,000

- c. Creation of a small team of specialist investigators in Customs and Excise

1 x Senior Investigating Officer

3 x HEOs

3 x EOs

1 x CO

Annual staff costs would amount to £120,000

(Note: there would be a small additional resource cost to the Administrative and Legal Branches, depending on the results achieved).

- d. Additional DTI requirement to support the Customs investigation team*

2 x Grade 2 PTOs

1 x HEO

Annual staff costs would amount to £40,000

SECRET

e. Increased publicity, including advice to businessmen

Additional demands would be placed on DTI services, including Regional Offices. The extent to which they could be absorbed without additional resources (other than those in a. and d. above) would depend on the scale and duration of the programme.

* Note: These estimates assume that the necessary electronic and computer equipment will be made available; a feasibility study is currently under way within the DTI for the installation of this equipment.

SECRET

my

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EXCHEQUER	
DATE	- 2 AUG 1983
ACTION	Mrs CASE
COPIES TO	CST. FST. MST
	Mr MIDDLETON, Mr LITTLE, Mr CAREY, Mr UNWIN, Mr LAVELLE, Mrs HOOLEY-MILLER, Mr DENISON, Mr KITWATT



10 DOWNING STREET

From the Private Secretary

MR. HATFIELD
CABINET OFFICE

Security Export Controls

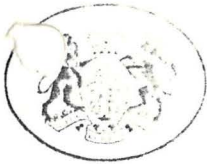
The Prime Minister has seen Sir Robert Armstrong's minute of 29 July (A083/2287). Subject to the views of colleagues, she is content with the recommendations of the Official Sub-Committee on Strategic Exports and agrees that the Departments concerned should discuss with the Treasury how the resources necessary to implement the Committee's recommendations are to be provided.

I am sending copies of this minute to the Private Secretaries to the members of OD.

C.F.S. Rickett

1 August 1983

SECRET



Foreign and Commonwealth Office

London SW1A 2AH

RRC	
-3 AUG 1983	
ACTION	MRS CASE
COPIES	CST. FST. MST.
10	Mr MIDDLETON, Mr LITTON
	Mr CAREY, Mr UHWIN
	Mr LAVELLE, Mrs HOBLEY-MILLER
	Mr DENSON, Mr KITCATT

2 August 1983

(mwt)

Dear Tim,

Security Export Controls

Thank you for copying to us your minute and enclosure of 1 August to Richard Hatfield.

Sir Geoffrey Howe has seen the report of the Official Sub-Committee on Strategic Exports and agrees with its recommendations.

I am sending copies of this letter to the Private Secretaries to other members of OD and Sir Robert Armstrong.

Yours ever
J E Holmes

(J E Holmes)
Private Secretary

T Flesher Esq
10 Downing Street

2/15

SECRET



PRIME MINISTER

SECURITY EXPORT CONTROLS

EXCHEQUER	
- 5 AUG 1983	
REVISION	MRS CASE 5/8
COPYES TO	CST. FST. MST.
	Mr MIDDLETON, Mr LITLER
	Mr UNWIN
	Mr LAURELLE, Mrs HOOLEY-MILLER
	Mr DENISON, Mr KIRKATT, Mr H. GRIFFITHS

I have seen Sir Robert Armstrong's minute (A083/2287) to you of 29 July about the Cabinet Office Sub-Group's report on the above. I agree with the report's recommendations, and accept in principle the need to increase the effectiveness of our controls; we shall be seeking the necessary (if modest) additional resources by making manpower savings elsewhere within the Department.

2 We need more effective controls in our own direct interest. In addition, by showing the United States that we have taken effective action, we would avoid the risk of them taking further measures to restrict their exports of technology, which could have adverse consequences for our industry, and would strengthen our position in relation to the Export Administration Bills currently before Congress.

3 I am copying this to Members of OD and to Sir Robert Armstrong.

C.P.

C P

4 August 1983

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Faint, illegible text or markings in the upper left quadrant.

SECRET

1. MRS. CASE
2. CHANCELLOR

AFZ 4/8

OK M

FROM: P E DENISON
DATE: 4 August 1983
copies attached for :
Chief Secretary
Financial Secretary
Minister of State
Mr Middleton
Mr Littler
Mr Carey
Mr Unwin
Mr Lavelle
Mrs Hedley-Miller
Mr Kitcatt
Mr Chivers
Mr Griffiths

COCOM - SECURITY EXPORT CONTROLS

Sir Robert Armstrong's minute of 29 July to the Prime Minister and other members of OD Committee, covers a paper by the Chairman of the Official Sub-Committee on Strategic Exports reporting progress on the COCOM list Review and discussing the measures needed to tighten up the enforcement of controls on exports of strategic goods to the Soviet Bloc.

2. There is no strong Treasury interest in the detailed technical matters of the COCOM List Review (reported in paragraph 1 and Annex A of the Chairman's paper).
3. The rest of the paper deals with enforcement. We recommend acceptance of the general proposition that controls should be tightened up, but on the clear proviso that the resource consequences must be satisfactorily resolved as proposed in Sir Robert Armstrong's covering note.
4. The paper identifies a need for 28 extra staff in various departments at an annual cost of up to £300,000, plus certain other minor associated costs not identified at this stage. The details are in Annex C of the paper.
5. The recommendation in paragraph 9(c) of the paper is that the measures should be approved in principle pending further consideration of the resource implications between the Departments concerned (DTI and Customs) and the Treasury.

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This is acceptable to us. The intention will be to ensure that the costs are accommodated within existing expenditure totals, if possible. To the extent that one department might be incurring costs for the benefit of another, some transfers might be necessary, but this is a matter for the further discussions.

6. Accordingly, we recommend acceptance of this recommendation and the other three recommendations in paragraph 9 of the paper.

7. It is proposed that this should be cleared out of committee. The Prime Minister and Foreign Secretary have already written supporting the recommendations. I attach a short draft private secretary letter confirming your agreement subject to the public expenditure point.

Also SOS/DTI
-letter below.



P E DENISON

This is acceptable to me. The intention will be to ensure that the costs are accommodated within existing expenditure totals, if possible. To the extent that one department might be incurring costs for the benefit of another, some transfers might be necessary, but this is a matter for the further discussions.

6. Accordingly, we recommend acceptance of this recommendation and the other three recommendations in paragraph 5 of the report.

7. It is proposed that this should be cleared out of committee. The Prime Minister and Foreign Secretary have already written supporting the recommendations. I attach a short draft private secretary letter confirming your agreement subject to the public expenditure point.

Also 20/1/77
C. G. G.

P. E. DENISON

~~DRAFT~~ LETTER TO:

PM's Private Secretary

FROM:

Chancellor's Private Secretary

Please type

SECURITY EXPORT CONTROLS

The Chancellor has seen Sir Robert Armstrong's minute of 29 July, covering the paper by the Chairman of the Official Sub-Committee on Strategic Exports. He accepts the recommendations, provided that the limited additional resources involved can be absorbed within the relevant departmental programmes. ^A

I am copying this letter to the Private Secretaries of other members of OD and Sir Robert Armstrong.

He noted from the Chancellor's minute of 4 August from the Secretary of State for Trade and Industry to the Prime Minister, that his Department are (already) prepared to make their additional resources available by making manpower savings elsewhere.

SECRET

| cc CST
FST
MST



Mr Middleton
Mr Littler
Mr Carey
Mr Unwin
Mr Lavelle
Mrs Hedley-Miller
Mrs Case
Mr Kitcatt
Mr Chivers
Mr Griffiths
Mr Denison

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

8 August 1983

Tim Flesher Esq
10 Downing Street



Dear Tim,

SECURITY EXPORT CONTROLS

The Chancellor has seen Sir Robert Armstrong's minute of 29 July, covering the paper by the Chairman of the Official Sub-Committee on Strategic Exports. He accepts the recommendations, provided that the limited additional resources involved can be absorbed within the relevant departmental programmes. He has noted from the minute of 4 August from the Secretary of State for Trade and Industry to the Prime Minister, that his Department are prepared to make their additional resources available by making manpower savings elsewhere.

I am copying this letter to the Private Secretaries of other members of OD and Sir Robert Armstrong.

Yours sincerely,

Judith

MISS J C SIMPSON
Private Secretary

SECRET

SECRET



FROM: M E Corcoran

DATE: 8 August 1983

PS/CHANCELLOR OF THE EXCHEQUER

cc PS/Chief Secretary
PS/Financial Secretary
Mr Middleton
Mr Littler
Mr Carey
Mr Unwin
Mr Lavelle
Mrs Hedley-Miller
Mr Kitcatt
Mrs Case
Mr Chivers
Mr Griffiths
Mr Denison

pmf

COCOM - SECURITY EXPORT CONTROLS

The Minister of State has read Mr Denison's submission of 4 August covering a draft letter which would record the Chancellor's acceptance of the recommendations of the Official Sub-Committee provided the limited additional resources involved can be absorbed within the relevant departmental programmes. He has commented that all this seems to be rolling forward without any clear idea of where the extra staff for the Customs and Excise contribution to tightening up controls will be found. This does not, I think, mean that the letter should be held up but I should be grateful for Mr Griffiths' views on the Minister's comments: no doubt he will be discussing the resource implications with Customs and Excise, and this will clarify how staff might be found, but the Chairman's paper states, and Customs have confirmed to me, that in the absence of extra staff they could not do the extra work without detriment to other responsibilities.

JEC

M E CORCORAN
Private Secretary

SECRET

Weekend bx



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~2307022~~ 218 6169

MO 18/1/2

CH/EXCHEQUER	
REC.	23 NOV 1983 ^{23/11}
ACTION	Mr KITCAT.
COPIES TO	EST. PST. MST. EST.
	Mr Middleton.
	Mr I. P. Wilson.

22nd November 1983

Dear Janet,

Following the recent decision by NATO Ministers at their meeting in Canada to reduce further the number of NATO nuclear warheads in Europe, we have had prepared the attached unclassified briefing note which might be drawn upon by Ministers in constituency, etc, speeches and discussions. As such, it forms a supplement to this Department's booklet "Nuclear Deterrence and Disarmament: Briefing Notes", copies of which I am also circulating with this letter.

Copies of this letter and of the enclosures go to John Coles at No 10, to Private Secretaries to other members of the Cabinet, and to Richard Hatfield in Sir Robert Armstrong's office.

Yours sincerely,
Barry Neale

(B P NEALE)
Private Secretary

Miss Janet Lewis-Jones
Private Secretary to the Lord President of the Council

BRIEFING NOTES FOR MINISTERS: REDUCTIONS IN NATO'S NUCLEAR STOCKPILE

At the meeting of the NATO Nuclear Planning Group in Canada on 27/28 October 1983, NATO's Defence Ministers endorsed the recommendations of a comprehensive review of the size and composition of NATO's nuclear forces in Europe. Their decisions will lead to the most radical reduction in the number of warheads in Western Europe ever to have taken place, and will reduce the stockpile of nuclear warheads to its lowest level in 20 years.

2. Since December 1979 - when NATO agreed to the 'dual track' approach to the modernisation of its intermediate range nuclear forces and to arms control efforts aimed at reducing the level of forces of both superpowers in a balanced and verifiable way - NATO has withdrawn 1,000 US nuclear warheads in Europe. In October this year NATO agreed to reduce the stockpile by a further 1,400 warheads. In addition NATO is committed to withdrawing one warhead from Europe for each Pershing II or cruise missiles it proves necessary to deploy. So over the next five to six years NATO plans to withdraw some 3,000 nuclear warheads. Even if full deployment of Pershing II and cruise missiles take place, the number of warheads in Europe will have been cut by a third, and the number of warheads for shorter-range systems (eg aircraft and 'battlefield' nuclear weapons) will have been cut by a half. Five nuclear warheads will have been withdrawn for each new warhead deployed.

3. The reductions are not, as some critics have suggested, a propaganda ploy designed to offset the impact of the deployment of new NATO missiles in Europe. The report considered by Ministers represented the result of four years of intensive study by experts from NATO's capitals and military authorities. Nor will the warheads to be withdrawn consist solely of obsolete or unuseable weapons - all types of weapons system will contribute to the reductions. It is true of course to say that NATO has sought reductions in a way which would not compromise its essential security requirements. It would be quite wrong to do otherwise. Indeed the report considered by NATO's Defence Ministers also addressed possible improvements to shorter-range weapons systems and their supporting infrastructure - [although it should be stressed that such improvements are likely to be essentially evolutionary; the deployment of enhanced radiation or 'neutron' weapons was not considered.]

4. But NATO is a defensive Alliance. None of its weapons will ever be used except in response to attack. This enables NATO to review its stockpile carefully to ensure that not one weapon more than is needed for the purposes of deterrence is retained. The reductions agreed by all NATO nations demonstrate clearly that the West is not guilty of 'fuelling the arms race', that the Warsaw Pact has no cause to feel threatened by NATO and no

cause to continue the relentless quantitative and qualitative improvement of its own weapons systems, nuclear and conventional, and that NATO has no plans for 'limited nuclear warfare' in the European theatre.

5. In contrast, the Soviet Union is continuing to improve the quality and increase the numbers of its equivalent weapons systems, including in some cases their deployment forward in Eastern Europe. Soviet threats of 'countermeasures' to the deployment of Pershing II and cruise missiles are empty gestures. Such measures had been planned for years; in some cases the new missile systems concerned were in development even before NATO's December 1979 decision. There is no reason however why the Soviet Union should not now match NATO's action and make a substantial reduction in its own stockpile. This is what the peace movement should be calling for. NATO has made clear its determination to reduce its stockpile to the lowest level consistent with its security: it is now up to the Soviet Union to demonstrate whether it has an equal commitment to peace.

