

MEMORANDUM OF CONVERSATION

SECRETARY'S MEETING WITH UK SECRETARY OF DEFENSE PYM

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PARTICIPANTS: US

- The Secretary
- Assistant Secretary Vest
- Ambassador Brewster
- Minister Streater
- Peter Sommer (Embassy Note taker)

UK

- Francis Pym, Secretary of State for Defense
- Sir Frank Cooper, Permanent Under Secretary, MOD
- Michael Quinlan, Deputy Under Secretary, Policy and Programs, MOD
- Roger Facer, Private Secretary to the Secretary

DATE & PLACE: May 22, 1979  
Ministry of Defence

SUBJECTS: Conservative Commitment to Defense, NATO Issues, TNF, US Strategic Systems, SALT, ABM, MBFR, UK's Nuclear Deterrent, SALT III, CTB, Anti-Satellite Negotiations, Arms Sales to China

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Conservative Commitment to Defense

Pym said he was privileged the Secretary could visit the MOD and he personally wanted to emphasize the Conservative Party's anxieties over the growing Soviet threat and Britain's weakened defense posture. The Conservatives are determined to do something positive. As a first step, the Conservatives had increased military pay, which in some ways was only a minor achievement, but it did underline the Conservatives' commitment to defense. He added that the Conservatives, however, would be hard-pressed to improve substantially current defense programs because the UK economy is at zero growth. The Secretary replied that he was pleased to be able to come to the MOD and the US is pleased with the Conservatives' strong commitment to defense.

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Close Cooperation Between Ministers

Pym said he looked forward to cooperating closely with the Secretary and Dr. Brown and noted that he had emphasized this desire to Dr. Brown last week at NATO. The Secretary said both governments should benefit from the cross-experience between Foreign and Defense Ministers, recalling that in a previous government tour he had worked closely with Dr. Brown and this close working relationship continued today. The Secretary said he knew Pym and Lord Carrington were close associates and this should prove helpful in integrating foreign and defense policies in the many areas where they overlap.

NATO Long Term Defense Program and 3 Percent Increase in Defense Spending

The Secretary said now that the Allies had crossed the important watershed of approving the NATO LTDP it was important that it be implemented. There is a danger that if we don't keep our energies and strengths behind it, it will falter and much good work will have been wasted. Pym agreed that carrying it out is the hard part. Cooper said the biggest problem impeding implementation is economic growth and this affects the UK's as well as others' economies. Cooper added there are competing demands and Defense Ministries had to make a clear presentation to their public on the threat facing NATO. The Secretary asked for UK views on the prospects of countries sticking to the 3 percent real term increase in defense budgets. In stressing his newness to the job, Pym said he had a hunch 3 percent was on the ambitious side but, it was probably tagged about right, i.e., it presented a challenge to countries. Cooper added there is a tendency for countries to juggle figures in order to meet the 3 percent and said the 3 percent goal had served the added purpose of sharing knowledge about how countries price and prepare their budgets. Quinlan emphasized from a political point of view the big countries must set a positive example and meet the 3 percent challenge; without this, the small countries couldn't hold the line. The Secretary said the US knew it had to set the proper example; the President, himself and Dr. Brown were all committed to the 3 percent but there was always a struggle with OMB. Pym emphasized the United Kingdom's determination to meet the 3 percent challenge but also referred to the UK's economic difficulties.

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NATO Arms Cooperation

The Secretary, remembering his days as Secretary of the Army, said he was afraid, now as then, there were a lot of positive noises about arms cooperation but real progress was slow. He then asked: are we making progress and what are the possibilities for co-production? Pym opined arms cooperation was marvelous in theory but difficult to implement. The Europeans should be able to get together, perhaps within the EEC framework, and produce weapon systems for Europe, but political considerations made this impossible. Cooper emphasized that the Allies must keep working at arms cooperation; equipment costs are so high that countries must cooperate. Ministers are good at knocking heads together, which helps overcome certain military obstacles, but industrial, employment, and financial considerations continue to block progress. A few solid successes would help. Quinlan said the picture is not all dark and referred to the recent agreement among Europeans to co-produce the Aim 9L Side-winder missiles. Cooper stressed that while the goals are laudible, the British are under no illusions. For example, the FRG just bought some Lynx helicopters from the UK but certain countries are upset with this decision. Cooper implied that the next really big arms cooperation project on the European agenda is tactical combat aircraft. The Secretary asked if the British foresaw any possibility of cooperative tank projects or is this too emotional an issue, like tank guns. Cooper replied that someday the Allies should be able to cooperate on tanks whose chassis, after all, only represent beefed-up automobiles. However, he did not foresee NATO standardizing on a single tank within his lifetime. The Secretary said we should be able to do more in the area of ammunition and communications. Quinlan replied that NATO has made progress in communications. The Secretary indicated the US is acutely aware of our own particular arms cooperation responsibilities and the need to pursue vigorously this challenging problem which we all need to overcome with a view to spending our defense monies more efficiently.

Stock Levels, Prepositioned Equipment and Infrastructure

The Secretary said he was not up to date on the issue of stock levels, but felt this was an area in which all the Allies could do better. Quinlan replied that in theory NATO has agreed that each country should have 30 days of war supplies, but some disagreement still exists over the basic question of "what is an average day" or consumption rates. Quinlan indicated the underlying cause of this disagreement was differing views,

perhaps because of divergent geographical situations, over what kind of war it would be. Cooper, in agreeing that countries haven't done enough, emphasized there are three fundamental questions: (1) what kind of war; (2) how long would it last; and (3) how many weapons will be used up. The Secretary said he was a strong proponent of the US prepositioning more equipment in Europe. The US also needed to enhance its airlift capability. In this regard, Quinlan said it was helpful that NATO had agreed to a higher infrastructure ceiling, albeit lower than the one the UK and US had supported, with specific provisions to build support facilities for US reinforcements.

The Secretary foresaw the Germans having problems accepting additional military facilities of any kind, noting their procedures for Federal, and in particular local government, approval are cumbersome; the active environmental lobby also posed difficulties. Cooper noted that the British were also always under pressure from local German authorities anytime they contemplated changes in the FRG affecting UK military facilities. Quinlan emphasized that requests associated with conventional forces, while clearly less sensitive than the territorial issues raised by TNF, put pressure on the Germans by forcing them to make decisions affecting their soil. Pym added that Chancellor Schmidt in discussing TNF with the British had an almost emotional attachment to the phrase "German soil."

#### Theater Nuclear Forces

Turning to TNF, the Secretary said this is one of the major problems confronting the Alliance, and we need to mobilize the necessary support for a decision this year to modernize. Pym noted that the Germans are keen to have the High Level Group and the Special Group meet together this fall. He felt we have not yet reached that stage and could not make collective decisions on arms control until there were specific technical options to discuss.

The Secretary agreed, noting that it should be possible to complete the studies on the choices confronting the Allies within a reasonable time to include details on systems capabilities and stationing possibilities. He saw a real problem with stationing ground-launched missiles on German soil. He added the US would be reviewing these issues with Chancellor Schmidt in Washington on June 6. Pym said he had discussed the matter with Apel and they were basically in agreement. However, sites are a problem. Can the Dutch be persuaded and the Belgians and Italians? It was all uncertain and vague. The Germans

seem to favor putting them on the water. The Secretary agreed that Schmidt personally leans towards a water solution, i.e., sea-launched missiles. Cooper added that TNF modernization was certainly the most formidable problem facing NATO in 1979, yet in the final analysis, even after considering the arms control component, it is individual nations that must make the hard political decisions. The German problem was compounded because they wanted to maintain the public stance of being a non-nuclear power. If the Germans accepted systems that could hit the Soviet Union, the Russians could make a counter claim that because of this acceptance of long range systems, Germany had now become a strategic target. Cooper said that in fact Germany already is, but the Soviets would use long range systems as a propaganda issue. For stationing on the Continent, that left the Netherlands, Belgium and Italy and Cooper personally would not bet on any of them.

The Secretary, acknowledging the problems, emphasized that since stationing was essentially a political issue that the Foreign Ministers must roll up their sleeves and come to grips with it. Quinlan said there was a powerful temptation for political leaders to emphasize the arms control aspects. The Secretary said arms control is a complement to adequate defense strength, but it is self-defeating to use arms control as a basis for modernization decisions. The Secretary said he favored pressing for a positive TNF modernization decision at the political level and then proceeding to see how this decision fits in with arms control objectives. Otherwise there would be no decision.

Cooper said another complicating factor is the Germans don't want to be seen publicly as taking decisions contrary to their Ostpolitik, yet the longer countries put off a decision, the harder it becomes to make the right one, particularly for countries with coalition governments. In this regard, the Secretary noted problems in the SPD and some elements of the CDU on this complicated TNF issue and hoped the Allies would be able to stick to their target and take a decision by the end of this year. Cooper added, "before the German elections." Pym agreed and said if we want eventually to include arms control measures, we need to have something to bargain with.

### US Strategic Systems

The Secretary gave a rundown on US plans to modernize the three legs of the nuclear Triad. He said we are improving the capabilities of our existing land-based ICBM's. We are also developing a new ICBM system, probably the MX, noting, however, there are differing views over the size of the MX. With respect to ground-launched systems, the current issue is the basing mode, which we have narrowed down to three alternatives.

He added specific recommendations would probably be sent to the President within 3 to 4 weeks. He described the alternatives as "multiple holes", sea-launched systems, and mobile missile launcher (MX) basing system.

The Secretary noted that the Chiefs favored the multiple aim point alternative. The Soviets believe such a system is illegal under SALT II, claiming it the equivalent of additional launchers. Furthermore this option posed serious verification problems and if the US opted for such a system, the Soviets could follow suit. The Secretary said he found the mobile missile launchers basing system the most attractive option because it addressed the inherent tension between survivability and verification. This option consisted of trenches from 10 to 50 miles long, which could be dug on USG property in the West. At the base of the trench was a railroad track on which a self-propelled vehicle, containing the launcher, could move up and down. At mile intervals there would be hardened shelters with slide back roofs. It would take the launcher about two minutes to move from one shelter station or launch point to another. Satellites could locate the shelters, which would be open under normal circumstances. In a crisis, they would be closed and with 10 minutes warning time the launcher could be moved 5 stations; with 20 minutes warning time 10 stations, and so on. The Secretary, in emphasizing that the President had not yet selected an option, stressed this one appealed to him because it was truly mobile, survivable and verifiable.

Returning to modernization of the Triad, the Secretary said we are upgrading the sea leg by placing new Trident I missiles on existing submarines, by introducing the new Trident submarines, and by developing the advanced Trident II missile for deployment on the new Trident submarines. The Secretary added we would also be upgrading the air leg of the Triad by equipping our B-52 bombers with long-range cruise missiles. He said it is a good, balanced program, but it will be hard to explain to the American people why SALT does not erase the need to spend \$30 billion on modernizing the nuclear Triad.

SALT II

Pym asked if SALT would be ratified by the Senate. The Secretary replied that it will be a tough battle -- our hardest battle -- but we will convince the Senate of its merits and get it ratified once the Senators are exposed to the terms of the treaty. The Secretary underlined that SALT II constrains the Soviets in a number of important ways. Perhaps the most important being the limits on number of warheads on strategic missiles (SS17s, 18s and 19s). This particular limitation begins to come to grips with the Soviets' advantages in throw-weight and represents a quantum jump forward. SALT II also restrains to one each the number of new missiles that can be built, giving an advantage to the US since the Soviets currently have four new missiles under development. The sub-ceiling on number of MIRVed missiles also offers greater stability. The reduction in missile launchers and heavy bombers from 2400 to 2250 is a step in the right direction and compels the Soviets to do away with 250 missile launchers. Some people claim this means the Soviets will only be phasing out obsolescent systems, but in reality they will be getting rid of systems equivalent to the US and UK Polaris and Minute Man II missiles.

The Secretary went on to say that verification agreements also represent a quantum jump forward, especially when compared with the situation with or without SALT. Without SALT the Soviets have the total right to impede national technical means. SALT II specifically prohibits telemetric encryption when it impedes verification. This banning of deliberate concealment measures places us in a stronger position. Furthermore, SALT II gives us a good idea of the parameters of the Soviet strategic force structure and makes it easier for us to plan and structure our forces to cope with their major systems. The Secretary said all of these represent important pluses and opined that honestly he cannot see any minuses.

Turning to what he called a European concern, the Secretary emphasized that cruise missiles could not be deployed within the protocol period and thus SALT does not constrain deployment of these systems. He emphasized that when the three year protocol expires, it would have to go back to Congress prior to being extended. The Secretary said our job now is to lay out the rationale

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for SALT, making a convincing case to Congress and the American public. Another important aspect which must be weighed is the political repercussions of the US Senate not ratifying SALT.

Pym said SALT is a real achievement; the Secretary had made a powerful case for SALT and he looked forward to seeing it ratified. At the same time, Pym added he was personally somewhat mystified over all the controversy associated with SALT and asked the Secretary if he could explain it. The Secretary said there are two fundamental reasons. One, an inherent distrust of the Soviets -- a gut feeling they can't be trusted; and two, concern over verification issues. The attack on verification contains a lot of smoke - misleading information - and has centered on encryption of telemetry. We have a good solution to this problem. The treaty bans all telemetry that impedes verification and if there is a dispute it can be taken to the Standing Consultative Commission. In the final analysis, the President could renounce the treaty in the unlikely event that the Standing Commission could not resolve the dispute. The Secretary added that monitoring of Soviet military activities is a complicated subject, one genuinely mysterious to most of the American people. The Secretary added verification is further complicated by the loss of the Iranian sites, but we are confident we can continue verifying Soviet activities through a variety of national technical means.

#### Soviet Attitudes on ABM Systems

Cooper asked for the Secretary's views on future Soviet policy toward anti-ballistic missile systems. The Secretary replied that he doubted the Soviets would go in for an improved ABM program, adding the Soviet economy is not strong and they would prefer to spend money on offensive systems. Pym then asked in which fields will the Soviets increase their efforts as a result of the limitations SALT places on their strategic capabilities. The Secretary said he felt they would build up their sea capabilities, an area in which they are inferior to the US and NATO, and strengthen their conventional forces.

#### MBFR

The Secretary said he saw advantages to be gained from MBFR Phase I reductions, but Lord Carrington had been skeptical in yesterday's discussions. Phase I



reductions would result in the withdrawal of 3-4 Soviet divisions and 1000 tanks -- a step in the right direction, although, admittedly the Soviets would be in a better position to redeploy withdrawn forces to the central region. The Secretary added an agreement on the data base would offer an important precedent for Phase II. The Secretary said within the context of preparing for the Summit, the Soviets had suggested bilaterally to the US some new ideas for MBFR. The US had briefed our Allies, the British and Germans in detail, on our MBFR talks with the Soviets. The Secretary emphasized we would continue to pursue MBFR through NATO in close consultation with our Allies. Quinlan said the British were happy to hear that the US viewed data in the same vital way they do. The Secretary noted that data does not pose as serious a problem in Phase I as it would pose in Phase II.

#### UK's Nuclear Deterrent

Pym, returning to several of the previous topics, said the US nuclear modernization program was very impressive, the Conservative government would support SALT, and the Secretary's reassurances on the transfer of technology were most welcomed. Pym implied the UK would need US support in selecting a follow-on to their own Polaris system. The Secretary said the US would offer continuing cooperation. SALT would not limit the US ability to continue existing cooperation. Pym said the Polaris follow-on decision was now coming into his purview.

The Secretary then referred to the British problem with the use of the word "necessarily" in our non-circumvention statement. He added we had reviewed it again at PM Callaghan's request, and decided we needed the word, because it made clear that we would take into account the magnitude of the request, but the overall language does not prohibit the transfer of technology. Meanwhile, we hope the British will go ahead preparing views on the Polaris and Vulcan, and we will be ready to talk and be helpful. He welcomed an eventual visit by a British group to discuss this subject. The Secretary said our response to an eventual British request for cooperation would be positive and he would convey this message to Mrs. Thatcher tomorrow.

#### SALT III

The Secretary said we must soon start more intensive consultations on SALT III and reach a clear understanding on objectives and the appropriate forum in which to discuss grey area systems, whether in SALT III or another forum. The Secretary emphasized that there are a cluster of questions

associated with SALT III which must be addressed. Pym said it was his impression that the Germans favored addressing grey area systems in SALT III; he had no view of his own. Cooper added that SALT III will be very serious business for the Europeans. After all, until now SALT negotiations had been mostly limited to direct Soviet and US concerns. He then asked when SALT III negotiations would begin. The Secretary said discussions, contrasted to negotiations, should begin soon. We need to reach agreement on objectives. SALT II lists four principles for SALT III: (1) further significant reductions; (2) qualitative restraints, (3) adequate verification, and (4) enhanced stability of the strategic relationship. The Secretary stressed the US is ready to begin discussions later this summer before the SALT ratification process is completed; it is not too early to get our ducks in order. Cooper stressed there is a growing realization that a large number of Soviet missiles are a direct menace to Europe; he added the Europeans are paying closer attention to Soviet theater forces, but European views about what to do are neither rational nor solidified.

#### Comprehensive Test Ban

The Secretary said he and Lord Carrington had gotten hung up on the question of how many national seismic stations should be located in the British Isles. Carrington had explained the British problem -- the monetary implications -- and the Secretary agreed that clearly ten stations on a country the size of the British Isles was unreasonable. The Secretary felt, however, the Soviets would not settle for anything less than five UK stations. He added perhaps a worthy idea was to have some of the Commonwealth states, like Australia and New Zealand, accept a station. The Secretary noted that yesterday Michael Palliser had suggested a formula allocating seismic stations in relation to each country's land mass. The Secretary joked that under such a formula, Britain would probably end up with only half a station. Pym said a change in the rules at this stage would make it difficult to achieve agreement. The Secretary underlined that we will be under pressure to make progress in the next CTB round, which begins on June 4, because if we do not it is unlikely negotiations will be completed on time for the NPT Review Conference. The Secretary said the US will press the Soviets at the Summit to stop linking the number of seismic stations and the other remaining technical problems related to verification, but he was not sanguine that the Soviets would budge. Pym promised to discuss these issues with Lord Carrington. Cooper asked if there would eventually be a threshold under the CTB treaty. The Secretary said the US would insist on limiting it to laboratory tests for a treaty of three years duration. That is as far as we can honestly go in keeping

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the Joint Chiefs aboard and considering the reliability of our nuclear stockpile.

#### Anti-Satellite Negotiations

The Secretary reported we are making progress in negotiations on anti-satellite systems and we are striving to reach an agreement in time for the Summit, as a companion piece to SALT. He doubted that this would be possible, but said there would be pluses for all if we can limit anti-satellite systems. The Chiefs, he said, favor laser experiments, which the Soviets want to stop.

#### Arms Sales to China

The Secretary raised arms sales to the PRC, noting that the US must keep an even balance in the way we deal with the Soviet Union and China. To do otherwise would badly skew our foreign policy, especially in geo-political terms. Hence the US does not want to sell arms to either the Soviet Union or China, which explains why we resist putting arms sales to China before COCOM. The Secretary added this approach avoids forcing us to take a position by voting no in COCOM on sales to China.

Pym said he understood why the US hoped to avoid the issue, but other Allies, e.g., Germany, for exactly opposite reasons, want COCOM to bless their arms sales to China. Cooper described this approach as a need for countries to share the blame and suggested the need for an extracurricular system, outside of COCOM. Cooper added that the Germans, almost without anyone noticing, had become a leading arms exporter and they liked and needed the international cover of an organization like COCOM. The Secretary acknowledged that we needed a solution meeting everyone's requirements and said he would talk privately to Foreign Minister Genscher about it next week in Brussels and then perhaps raise it at the Quadripartite meeting. Vest recommended that we first sort out the German position before raising the issue in the Quadripartite forum. Quinlan said the British did not want to ask the US to pull their chesnuts out of the fire, but anything the Secretary could do to promote a solution would be most appreciated.

#### Press Guidance

Pym said the Secretary's visit had been interesting, constructive, and helpful. The talks illustrated how much remains to be done and the enormous amount of effort the US had already devoted to resolving the problems. The

Secretary acknowledged that the problems are complex, adding that they are also fascinating. Pym said Ministers had to educate their publics on these important issues; the environmental lobby, which he believed is on the upswing in Europe, could frustrate government actions, although as yet this lobby did not appear to be a major problem in the UK. The Secretary agreed that governments must expose their publics to the Soviet threat; the publics need to understand the nature of the threat. In concluding, the Secretary and Pym agreed to limit their remarks to the waiting press to: they had reviewed a variety of problems relating to NATO's conventional and nuclear forces and other matters of mutual interest.

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