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28th February 1984

NOTE FOR THE RECORD OF A MEETING WITH THE US DEFENCE SECRETARY,
MR WEINBERGER, AT 0935 ON TUESDAY 28TH FEBRUARY 1984
IN THE MINISTRY OF DEFENCE, MAIN BUILDING

Those present:

The Rt Hon Michael Heseltine MP
Secretary of State for Defence

Mr Weinberger
US Defence Secretary

Mr J N H Blelloch
DUS (P)

Ambassador Charles H Price II

Mr R C Mottram
Private Secretary to the
Secretary of State

Mr Richard Perle

Major General C Powell

Nuclear Questions

2. There was a discussion of certain nuclear questions which is recorded separately.

Technology Transfer

3. Mr Weinberger referred to the continuing importance which he attached to the problem of technology transfer. The risks in selling equipment which had a dual use or was solely for civil purposes were insufficiently appreciated. He knew that US motives in this area were sometimes misinterpreted as being a means of restricting the activities of their competitors but this was not the case. The Secretary of State said that we were basically sympathetic to the US view that more needed to be made of the COCOM machinery. Mr Perle recalled that the US and British had agreed on the establishment of an advisory military/intelligence group. In the light of this agreement the Americans had been pressing the French also to support this proposal. The French had now accepted that there should be an advisory group provided it was kept separate from the COCOM machinery itself. They were content that the group should address the implications of the transfer of broad types of equipment rather than individual cases. He hoped that the British could accept the revised approach agreed with the French which could then be put to the other countries concerned. He was concerned that,



if we did not respond quickly, the French might go back on what they had agreed and let the Germans, for instance, know that they still had reservations. DUS(P) referred to the steps that we had already taken to take account of US concerns and of the establishment of a small group to enhance our assessment capability. It was agreed that the British side would look urgently at what was proposed.

Equipment Co-operation

4. The Secretary of State said that, as he had previously explained to Mr Weinberger, he attached importance to strengthening European co-operation in equipment procurement not in order to divide off Europe from North America, but to provide for a more equal partnership. He was seeking to take this forward and, in particular, to explore the scope for reducing overlap in the national R&D efforts of individual European members of the Alliance. Present levels of duplication were very wasteful. We needed a way forward which enabled Europe to compete in high technology areas of defence procurement and not simply to be given opportunities for "metal bashing". Mr Weinberger emphasised his support for the concept of the two-way street. He had never seen his role as being that of an arms salesman for US industry.

5. In later discussion, there was mention of the unhappy history of the JP233 project. The Secretary of State emphasised the importance of carrying through joint efforts of this kind. Mr Weinberger referred to the difficulties the Administration faced dealing with Congress: he often envied the British Parliamentary system in this respect.

Arms Sales

6. Mr Weinberger emphasised his concern at the possibility of Britain supplying arms, such as tank parts, to Iran. The Secretary of State said that we had gone to considerable lengths to avoid aiding Iranian military capabilities including, at substantial cost, cancelling a contract for the supply of tank engines. We had not ruled out the supply of non-lethal items to either Iran or Iraq. In the case of Iran we faced particular difficulty over contracts entered into a long time ago, including those for support ships. There was no way in which any items which provided a significant offensive capability had got through from Britain to Iran and nor would they.

Equipment Procurement

7. The Secretary of State said he wished to refer to our interest in the US programme for a European distribution system aircraft for which Short Brothers were competing. He had already discussed this with Ambassador Price. He also wished just to mention the British interest in the competition for the new Tri-Tac network for the US Army. Mr Weinberger at first appeared unaware of this programme. After further discussion, he recalled that he thought that Monsieur Hernu had also spoken to him about a French interest in satisfying this requirement! The Americans would proceed on the basis of the lowest responsible tender which met the requirement. The Secretary of State commented that the British contractor concerned had teamed up with major US companies and we hoped this would help.



Defence Budget

8. The Secretary of State said that he was giving increasing attention to how our defence capabilities might continue to be enhanced once the defence budget was no longer growing in real terms. He was taking steps to reduce the overheads of the organisation and to increase value for money by introducing more effective competition into defence procurement. Mr Weinberger referred to the substantial savings which were flowing from more competition in US defence procurement. (He did not pursue the implications of the Public Expenditure White Paper).

East/West Relations

9. Ambassador Price suggested that Mr Weinberger might find of interest some remarks by the Secretary of State during Vice-President Bush's recent visit about the way we looked at the military balance. The Secretary of State said that, as was clear from his position in public, there was no more committed advocate of the view that we must negotiate with the Soviet Union from a position of strength. He had, however, been concerned that the analyses of the military balance and of Soviet motives presented to him tended to be slanted. He also wanted to explore every possible way in which we might break into the seemingly inexorable growth of armaments on both sides. He had therefore asked his staff to prepare an analysis of the military balance showing the forces of all the countries which bordered the Soviet Union. This - together with Russian history - went some way to explain the security concerns of the Soviet Union.

10. He was strongly of the view that there were only a small number of people who could hope to have a decisive influence on the way in which relations with the East developed and on the arms race itself. What concerned him was that those who could influence events had little time to step back from their daily responsibilities and the interests pressing on them and very little opportunity to meet their opposite numbers on the Soviet Side. The real chance for alternative ways forward was therefore not properly explored. Mr Weinberger agreed with the importance of increasing contacts with the Soviet Union. We needed to get inside the Russian mind, not least so that we could be sure that what we thought would deter reflected a Russian perspective rather than a Western one. He emphasised the importance which President Reagan attached to seeking peace and his willingness to do this by a face-to-face meeting provided we could get right the agenda, the timing and the place.



The Strategic Defence Initiative

10. DUS(P) said that he wanted briefly to mention the visit by the US briefing team on the strategic defence initiative which we had found most valuable. We had heard rumours that the Americans felt that we had adopted a negative role towards this initiative. He wanted to emphasise the importance we attached to the process of consultation and that we had put probing questions since we felt that this was the most useful contribution we could make. Mr Weinberger said that the initiative was very close to the President's heart. He believed that it offered the possibility of a more moral and more hopeful future. The aim would be to achieve a defence against both strategic and intermediate range weapons. The Americans had very much in mind the Russian programme in this area and the risks if the Russians got there first. He was delighted to hear that the presentation had been helpful and he had heard no adverse comments about British reactions.

11. The meeting ended at 1100 hours.

Rm

Ministry of Defence
28th February 1984

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