

PERSONAL AND CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

14 December 1984

Dear Charles,

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BMD: Research and Development

When the Prime Minister saw the Canadian Foreign Secretary Mr Clark (your letter of 12 December), she argued that the Americans must have the knowledge to develop a defence system if the need ever arose; that the crucial decision to be taken was that of moving from research and development to production; and that the potential costs of doing so led her to presume that such a decision would not be taken.

The precise point at which research enters the development process is of course difficult to establish; no doubt this will be a major point of contention in US and Soviet attempts to reach any agreements on constraints on defensive systems. You may however find it useful to bear in mind that Article V of the 1972 ABM Treaty commits both countries "not to develop, test, or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based"; nor "to develop, test or deploy ABM launchers for launching more than one ABM interceptor missile at a time from each launcher" ... nor "to develop, test, or deploy automatic or semi-automatic or other similar systems for rapid re-load of ABM launchers". In short, the ABM Treaty draws a distinction between research, which is permitted, and development of a number of BMD-related systems, which is not permitted.

*Yours ever,*

*Colin Budd*

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Private Secretary

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