

Ref. A07687

PRIME MINISTER

The United Kingdom Strategic Deterrent
(MISC 7(82) 1)

BACKGROUND

The MISC 7 meeting on 4 March will have before it the Secretary of State for Defence's memorandum MISC 7(82) 1, recommending that we should switch from Trident I (C4) to Trident II (D5) on the basis of the agreement negotiated ad referendum in Washington last week. The Secretary of State for Defence has also circulated to those who will be present, for information, his minute to you of 2nd March enclosing the draft of the Open Government Document which he intends to publish in explanation of the switch; but this is not on the agenda and need not be discussed.

2. At the time of its last meeting on 12th January MISC 7 was given an extensive presentation on the subject by the Secretary of State for Defence and others. The Group was reinforced on that occasion, as it will again be on 4th March, by the Lord Chancellor, the Secretary of State for Industry and the Paymaster General. Following the presentation it decided that the United Kingdom should clearly retain an independent strategic deterrent; and that, subject to three provisos, the Trident II (D5) missile should be procured for this purpose on the basis proposed by the Secretary of State for Defence in his original paper MISC 7(81) 1 of 17th November last. The provisos were:-

- (a) that the final decision should be a matter for the Cabinet;
- (b) that negotiations should first be undertaken with the Americans to determine the broad terms on which the new system could be procured; and

- (c) that though a four boat force might well prove essential on credibility grounds, the choice between that and a three boat force should be left open for the time being since it did not need to be made until 1985.

These conclusions were minuted but, on security grounds, not circulated.

3. You outlined the position to the Cabinet on 21st January. You explained that you intended to send President Reagan a message suggesting negotiations in accordance with proviso (b) above. You emphasised proviso (a) but did not refer to proviso (c). The minutes of this brief discussion exist but have not been circulated. The Secretary of State for Defence also offered to arrange a full briefing, for any member of the Cabinet who wished, on the strategic, technical and financial background to the D5 issue. This offer has since been taken up by everyone not already briefed at MISC 7 on 12th January.

*Except David
Howell, who
was unable to
take up the
offer.
A.S.C.*

4. The position on the three provisos is now as follows.

- (a) If MISC 7 is content with the proposed agreement, the Cabinet will be given a preliminary oral briefing by the Secretary of State for Defence later that morning. The Cabinet will then take the final decision on 11th March; this will not be advertised on the agenda, but there will be a short paper, by the Secretary of State for Defence, which will be circulated in the Cabinet Room and not taken outside it.
- (b) The upshot of the negotiations is summarised in the Cabinet Office note attached to MISC 7(82) 1. You and your three colleagues most closely concerned have been kept informed in greater detail throughout. The Secretary of State for Defence and the Foreign and Commonwealth Secretary are fully content with the terms which have emerged. The Chancellor of the Exchequer remains anxious about the overall cost of the programme but agrees that the terms could probably not be improved on. (The Chancellor notes, without pressing the point, that the

negotiations were not conducted personally between you and the President. If that is a grumble, it does not seem justified. Your personal concern over the outcome was known to the American negotiators throughout; they made clear that they were keeping the President carefully informed; and we have little doubt that he wanted - and that they knew he wanted - his eventual agreement with you to be satisfactory from your point of view.)

- (c) In MISC 7(82) 1, the Secretary of State for Defence now proposes that we should take a firm decision for a four boat force. His method of doing so is somewhat oblique. He refers to our public announcement in July 1980 that we were going for a C4 force of either four boats or five; he suggests that in the context of the D5 announcement we should make clear we are now going firmly for four; and he does not mention the possibility of three or the argument for it put forward by the Chancellor of the Exchequer at MISC 7 on 12th January.

5. All the financial calculations put to MISC 7 and the Cabinet have been on the basis of a four boat force. So are the estimates in the proposed Open Government Document. The draft Exchanges of Letters with the Americans make no mention of force size. But the very strongly held view of the Secretary of State for Defence and his advisers is that three boats could not provide a credible deterrent; in theory they might be enough to ensure that one was always on patrol, but in practice the lack of any margin for accidents would pose a constant threat to continuous patrolling. In purely metal-cutting terms it is true that the decision to build a fourth boat could be deferred until 1983. But in political and presentational terms it would be very damaging if, for lack of a decision now, the Government had to spend the next 12-18 months being publicly evasive on so important an issue as the size of the D5 force envisaged. The Americans are aware we are no longer thinking of five boats. But their enthusiasm for helping us might diminish if they thought we might be going to compromise our credibility by limiting ourselves to three.

The decision seems certain to have to be four boats, whether we take it now or defer it till next year; deferment would therefore incur the penalties of seeming irresolute without offering any real prospect of saving money.

6. The Open Government Document has been shown to the Americans. Their only comment was to suggest a slightly more robust tone than the Foreign and Commonwealth Office wanted in the arms control section. The Foreign and Commonwealth Secretary has now endorsed revised wording with which the Americans are content. The Chancellor of the Exchequer has made a number of comments on the draft Document; but he is content for these to be pursued bilaterally between his officials and the Secretary of State for Defence's, and he does not want to raise them at MISC 7.

7. You have decided that the public announcement should be on the afternoon of 11th March. Allies will need to be informed earlier that day. The Americans will inevitably start briefing Congressional leaders in the period 8-10 March. Thereafter the process will effectively be irrevocable; so the real moment of Cabinet decision will, in all but name, be 4th rather than 11th March.

8. When MISC 7 met in January we still had our worries about the viability of Chevaline and therefore our ability to maintain a credible deterrent until Trident can be introduced in the 1990s. They have since been dispelled by the wholly successful series of final Chevaline tests in early February.

HANDLING

9. Since the minutes of MISC 7 on 12th January were not circulated, you may like to begin by summarising the decisions then taken, as in paragraph 2 above. The Secretary of State for Defence should then introduce his paper. The Foreign and Commonwealth Secretary and the Chancellor of the Exchequer will wish to comment.

10. You could then structure the discussion round the three outstanding issues, as follows.

- (i) Terms. Does the Group agree that these are acceptable? The Secretary of State for Industry may wish to comment on the offset provisions.
- (ii) Force size. Does the Group accept the Secretary of State for Defence's argument for a firm decision for a four boat force now? The Chancellor of the Exchequer is the only likely objector; but he is not expected to argue strongly against a four boat consensus if that seems to be emerging. (A clear decision for 16 rather than 12 tubes was taken on 12th January and should not be reopened now).
- (iii) Timetable. The Group should take note that the Cabinet will be informed on 4th March and will take a formal decision on 11th March; and that the announcement will be made later on 11th March. The Lord President may wish to comment; and the Foreign and Commonwealth Secretary may have views on the arrangements for informing allies.

CONCLUSION

11. Your summing up will need to indicate whether the terms and draft Exchanges are acceptable; whether a four boat force is agreed; and what date the announcement is to be made.

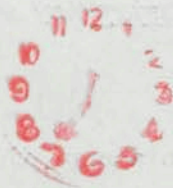


ROBERT ARMSTRONG

3rd March 1982



- 3 MAR 1982



Faint, mostly illegible text, possibly bleed-through from the reverse side of the page.

Handwritten signature or initials

Faint printed text, possibly a name or title

Faint printed text at the bottom of the page