

35

806

PREM 19/695

CABINET ONE FILE
TOP SECRET

MT

PART 5

CONFIDENTIAL FILE 56

INDEPENDENT UK NUCLEAR SYSTEMS

DEFENCE

POLARIS

TRIDENT

CHEVALINE

BRITISH NUCLEAR TEST PROGRAMME

PART 1: MAY 1949

PART 5: MARCH 1982

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
9.9.82.							
and-							
PREM 19/695							

PART 5 ends:-

cc (82) 41st Item 1 9.9.82

PART 6 begins:-

PS/Mui A Forces to AFR D/Mui (AFR) / 18/2/4
16. 202

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
CC(82) 4 th Meeting, item 1	9/9/82
MISC 7(82) 3 rd Meeting	29/7/82
MISC 7(82) 4	19/7/82
CC(82) 13 th Meeting, item 2	1/4/82
CC(82) 10 th Meeting, item 1	11/3/82
MISC 7(82) 2 nd Meeting LCA	15/3/82
MISC 7(82) 1	2/3/82

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate **CAB (CABINET OFFICE) CLASSES**

Signed Wayland

Date 11 October 2012

PREM Records Team

HL



10 DOWNING STREET

CC HO
HMT
FCO
SO *Defence*
CO.

From the Private Secretary

9 September 1982

Dear Sir,

UNITED KINGDOM STRATEGIC DETERRENT: MISSILE PROCESSING

The Prime Minister has seen your Secretary of State's minute of 7 September. She is content that he should make the proposed announcement at lunchtime today, subject to changes which I have already conveyed to you on the telephone:

- (a) The deletion from the end of paragraph 4 of the words "which we could then devote to other parts of our defence programme" (this follows a brief discussion in Cabinet this morning).
- (b) The deletion of the word "British" from paragraph 5.

I am sending copies of this letter to the Private Secretaries to the members of MISC 7 and to Muir Russell (Scottish Office) and Richard Hatfield (Cabinet Office).

*Yours ever
John Gals.*

Richard Mottram, Esq.,
Ministry of Defence.

HL



MO 18/1/1

Decision needed tonight. Treasury have no objection. Agree that Mr. Holt should make his statement to the press tomorrow (Thursday).

PRIME MINISTER

Yes not A.J.C. 1/19.

UNITED KINGDOM STRATEGIC DETERRENT: MISSILE PROCESSING

When Misc 7 discussed this subject on 28th July, it decided that, subject to the negotiation of satisfactory terms with the Americans, the initial assembly and periodic refurbishment of our Trident missiles should be carried out in the United States.

2. Following further discussions with US officials in Washington, the US have now indicated that:-

a. They are willing to undertake this task for us at their planned facility at Kings Bay, Georgia, under the general provisions of the Polaris Sales Agreement.

b. This will commence with the initial assembly of missiles in time to meet the introduction of Trident into service with the Royal Navy in 1994.

The provisions of the Polaris Sales Agreement (PSA) will provide the basis for the US to continue to provide assistance with processing if we requested it even in the unlikely event of their deciding to phase out Trident II (D5) before us.

3. The cost to the UK will be the forecast additional investment and operating costs at Kings Bay consequent on the addition of this task to that necessary to meet the requirements of the US Navy, together with a contribution of some \$70M towards the cost of the planned facility. I see no difficulty in answering any questions about how this latter contribution relates to the earlier US agreement in the Trident negotiations inter alia to



waive the normal facilities charge in the case of D5. We had not decided to seek their agreement to process our missiles at Kings Bay at the time of the main negotiations, and so this possibility did not form part of them. Given the very favourable terms on which the US are offering us D5, and the fact that we shall be making major capital and running cost savings of several hundred million pounds by going to Kings Bay, I have no doubt about the justification for contributing to the costs of their facilities.

4. The detailed implementation of this agreement will now be worked out as part of the continuing technical discussions which we are having with the United States in the course of planning for the introduction of Trident. In the meantime, we now have enough to enable us to announce publicly our decision. It would be very unwise to delay the announcement further for two reasons. It is bound to leak out of Washington shortly - and it will then be very much more difficult to handle presentationally. Secondly, I must handle this announcement personally - and I shall be away for two and a half weeks leading into the Party Conference season and the re-assembly of Parliament where such a move will be depicted as a controversial one, which it is not. I propose therefore to make an announcement at lunchtime on 9th September. I understand that this date is acceptable to the Secretary of State for Scotland. I intend that the announcement will be in the terms of the attached which is drafted to indicate, in particular, that there will certainly be no effect on employment at the Clyde Submarine Base before Polaris is finally phased out in the late 1990s.

5. I am sending copies of this minute to the members of Misc 7, the Secretary of State for Scotland and Sir Robert Armstrong.

Ministry of Defence
7th September 1982

JN *Ramm*
John Nott

Approved by the Defence Secretary
& signed in his absence

DRAFT

When we announced our decision to procure the Trident II strategic weapon system, we stressed that there would be great advantages of commonality with the United States. Our adoption of Trident II, which is to provide the United States with its next generation of submarine launched ballistic missile, will allow us to keep in step with the US well into the next century.

2. Since taking our decision we have been studying ways in which, whilst modernising our independent strategic deterrent, we might be able, by exploiting this commonality, to reduce the cost of the Trident programme and so benefit our conventional forces, and especially our naval forces. One area which we have been examining in this context is the arrangements for the support of our Trident missiles when Trident enters RN service in the mid 1990s. Until Polaris is phased out therefore, the arrangements for the support of our Polaris missiles at Coulport in Scotland will remain unchanged.

3. Trident represents a major technological advance over Polaris. Components will be more reliable with a longer life. The intention is that the missiles should remain in their tubes in our submarines throughout their 7-8 year commission. This is a much longer period than in the case of Polaris, and such periodic servicing as is necessary will be carried out in the submarines themselves by British personnel. It will not therefore be normally necessary for us to remove our Trident missiles from our submarines during their commission. In the case of Polaris, however, the missiles have to be removed from the submarines at more frequent intervals and maintenance carried out ashore.

4. This major difference between Trident and Polaris has accordingly enabled us to decide, in agreement with the US authorities, that we should use the planned US facilities at Kings Bay, Georgia, for the initial preparation for service of our Trident missiles, and their refurbishment at the end of the 7-8 year commissions of our submarines. On this basis we shall not need to proceed with our previous plans to build the

full range of facilities for this purpose at Loch Long in Scotland, although some new facilities will be required. These revised arrangements will apply only to the missiles themselves: our nuclear warheads will be held in the UK. This decision will produce considerable savings for the defence programme, amounting to several hundred million pounds in capital costs, with additional savings in running costs [which we could then devote to other parts of our defence programme].

There is only one!

5. The complete independence of the United Kingdom deterrent will not be affected. Full control will remain directly in the hands of the (British) Prime Minister. With the 7-8 year commission time planned for our Trident submarines, we will be able to keep three in the operating cycle for a high proportion of the time: a significant improvement over Polaris. And, with the long in-tube life of the missiles, a higher proportion of them will be in our submarines at all times compared with Polaris.

6. This decision will remove the need for the originally proposed construction programme at Loch Long. We shall keep the Trades Unions side representatives informed as to the employment implications of our decision as our plans for the longer term are developed. However, it should be stressed that there will be no change in the arrangements for processing our Polaris missiles at Coulport which will continue to undertake this task until Polaris is phased out in the late 1990s.

Ref. A09119

PRIME MINISTER

The United Kingdom Strategic Deterrent: Missile Processing

MISC 7(82) 4

BACKGROUND

The Secretary of State for Defence's earlier paper on the choice of the Trident II system (MISC 7(81) 1) mentioned as a possible area for cost saving the idea of processing and storing the Trident missiles in the United States instead of expanding the existing Polaris facility at Coulport on Loch Long in Scotland. It was agreed that this should be studied with the Americans, without commitment.

2. His present paper (MISC 7(82) 4) recommends that a decision in principle to use United States facilities should now be taken, formal negotiations with the Americans begun, and an early announcement of our intentions made. He believes that this will secure savings in capital expenditure of some £500 million over the next 8 years.

3. The Polaris missiles were assembled from United States components at Coulport where the United Kingdom warheads were added. Between submarine patrols, some of the missiles are taken out of the boats, taken to pieces and tested. Faulty or worn-out parts are normally sent back to the United States for repair.

4. The proposed arrangements for Trident are that the missiles would be assembled in the United States and placed in the boats there; at the end of a submarine commission, the boat would return to the United States where the missiles would be removed. During a commission, certain components could be exchanged in the submarine without removing the missile. The warheads would be inserted and removed, as now, at the Clyde Submarine Base at Faslane.

5. The Secretary of State for Scotland and the Chief of the Defence Staff have been invited to the meeting. Rear Admiral John Grove, who is in charge of the Trident project in the Ministry of Defence, will be available if needed to give expert advice.

THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT

HANDLING

6. The issues which Ministers will wish to address are: cost, independence, arms control and local political/industrial factors in Scotland.

(a) Cost

The capital saving is estimated at £500 million, far more than the initial guess of £150-£300 million. The Secretary of State for Defence might be asked how the savings arise and whether it follows that the total cost of the Trident programme could be quoted publicly as falling from £7½ billion to £7 billion.

(b) Independence

The issue here is whether using American facilities will reduce the independence of the British deterrent in fact, or whether it will be perceived as doing so. Dependence on the United States for the refurbishment and logistic support of components of the weapon system and missiles will be the same whether the processing takes place in Scotland or in America. But if American support were cut off, we should always have at least two boatloads of missiles which could be used until they required servicing. The reverse of that coin is that we would never have under our own control a missile load for the fourth boat (the one in refit), nor for part of the time should we have missiles available for the third boat. Will two boatloads of missiles be enough into the next century in the face of probable improvements in Soviet defences?

The Ministry of Defence have been considering creating a capacity to remove and store our own missiles, perhaps by converting a merchant ship for use in an emergency, eg if a submarine is damaged. Is this their intention? Is it intended that there should be a common stock of missiles held for both United States and United Kingdom submarines in the United States, or will we have missiles that are at all times United Kingdom property? What safeguards would there be that

United Kingdom missiles will be processed when we want them and not left until convenient to the Americans? The Secretary of State for Defence and his advisers might be asked to answer these questions.

(c) Arms Control

There are two issues:

i. Whether a decision to process and store United Kingdom missiles in the United States will affect the Americans' ability to keep United Kingdom Trident out of the START talks.

ii. Whether future developments in bilateral arms control arrangements which the United States might make with the USSR would impede United Kingdom use of United States facilities for operational purposes (which processing and storage might be held to be) while permitting the United States to continue to supply spare parts for the missiles.

The Foreign and Commonwealth Secretary should be invited to comment.

(d) Scotland

The £500 million capital saving would result from not doing construction work in Scotland (Scottish jobs) and not buying the necessary processing equipment from the United States (no job opportunities lost in the United Kingdom except in so far as British firms would have bid successfully for the contracts under the Trident offset agreement). There would be substantial (up to 2,000) job losses at Coulport eventually, but not until Polaris is phased out in about 15 years' time. The effect on local planning processes is unclear: the present base at Coulport would not have to be expanded, but it seems that the safety distances within which planning controls have to be applied will still be larger than Polaris requires. Is there any difference in timing? The expansion of the base is on the critical path of the Trident programme. If we go for United States processing, does this mean that we shall not have to start the planning process as early as we would if we were to expand Coulport? A decision to go for United States processing could not be reversed without delaying the whole programme. If at some future date there were signs

of a future United States Administration wanting to stop supporting the United Kingdom national deterrent, we would have forfeited the system of building a United Kingdom facility. The Secretary of State for Defence and the Secretary of State for Scotland should be asked to comment.

CONCLUSION

7. Subject to the discussion, the Group should be guided, on balance, to agree to the Secretary of State for Defence's proposals on the grounds that they will be helpful towards countering the criticism of Trident's high cost and its effects on the rest of the defence programme; and that their effect on our independence is marginal either way: we should still have a degree of independence at least as high as we have with Polaris.

RTA

ROBERT ARMSTRONG

27 July 1982

Wentheads

I think that there are really two basic
questions:

(1) If we do as the Secretary of State suggests, we shall not in reality be less independent than now; but shall we seem or be thought to be so?

(2) Are we prepared to risk being dependent on the US to the extent involved for forty years, well into the 21st century? The answer to that is less clear today than it would have been 20 years ago.

SECRET



2-6 AH 33

ces MISC 7

= MOD & CO

Tsy

HO

FCO

Defence

10 DOWNING STREET

From the Principal Private Secretary

21 June 1982

Dear David,

CHEVALINE

The Prime Minister has seen your Secretary of State's minute of 17 June 1982 and has taken note of the present position on Chevaline.

I am sending copies of this letter to the Private Secretaries to other members of MISC 7 and to David Wright (Cabinet Office).

Yours sincerely,

Mark Whitmore.

David Omand Esq.,
Ministry of Defence.

SECRET



Copy No. 1 of 6 Copies

MO 18/1/1

Prime Minute.

AM
18/1

MS

PRIME MINISTERCHEVALINE

You will recall that when I reported to you on the Chevaline (A3TK) missile firings on 2 March this year, I said that it was hoped that the first operational deployment of Chevaline would take place this summer. I am writing now to let you know the present position.

2. Six Chevaline missiles have been loaded into HMS Renown which is now conducting a training patrol. This will be followed by full operational deployment of the system in August 1982. The missile processing programme is tight, however, and delay, such as might be caused by an industrial dispute, could lead to some shortfall of missiles against the full operational outload of 16. Nevertheless, provided there is no significant trouble of this nature, a full outload should be available. If there should be a shortfall, I have decided that HMS Renown should conduct her planned deterrent patrol with less than a full outload of Chevaline missiles. Even with the six A3TK missiles which are already embarked, we will have a more effective capability against the current Moscow ABM defences than with a full outload of 16 Polaris (A3T) missiles.

3. I am sending copies of this minute to members of MISC 7 and to Sir Robert Armstrong.

Ministry of Defence

17th June 1982

SW

RESTRICTED

6/5 DSC
}

File

4 May 1982

UNDERGROUND NUCLEAR TEST

Thank you for your letter of 29 April
of which the Prime Minister has taken note.

APPROCES

S

Derek Piper, Esq.,
Ministry of Defence.

RESTRICTED

RESTRICTED



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~9387022~~ 218 6169

MO 12/2/4

29th April 1982

Prime Minister
To note.
MR 29/4.

Dear Sir,

mt

per

In his minute of 15th February my Secretary of State informed the Prime Minister that preparations for the next British underground nuclear test at the American Nevada Test Site were well advanced and that the planned firing date was to be about 8th April. As you know from David Omand's subsequent letters, the planned firing date had to be put back on a couple of occasions to 21st April.

In the event the test was again delayed by unfavourable weather at the Test Site but the firing took place on 25th April. This was the twelfth UK underground nuclear test to be carried out at the Nevada Test Site since the Partial Test Ban Treaty came into force. My Secretary of State has asked me to say that preliminary indications are that the operation went according to plan and that the test was successful.

I am sending copies of this letter to John Halliday (Home Office), Brian Fall (FCO), John Kerr (HM Treasury) and David Wright (Cabinet Office).

Yours ever

D T PIPER

(D T PIPER)

A J Coles Esq

RESTRICTED

SECRET

31

Defence



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~896 702X~~ 218 2111/3

MO 12/2/4

19 April 1982

N. B. P. 52.

Dear John.

A. J. C. 17/4

The next British nuclear test, which was planned for 20 April 1982 (my letter of 1 April 1982) has been marginally delayed. It is now scheduled for the afternoon of 22 April 1982, subject to weather conditions remaining satisfactory.

2. I am sending copies of this letter to John Halliday (Home Office), Brian Fall (FCO), John Kerr (HM Treasury) and David Wright (Cabinet Office).

John ...
David Omand

(D B OMAND)

THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT

A J Coles Esq

SECRET

Ref. A08112

MR COLES

British Underground Test Programme

As the Prime Minister knows, the next British underground nuclear test is due to take place on 20 April (postponed from 8 April because of the weather).

2. Tomorrow's meeting of the Cabinet may well be the last before the test takes place, and it would accord with usual practice for the Prime Minister to inform the Cabinet about the test.

3. It is unfortunate that the interval before the test is due to take place should be as long as six days. I suggest that the best way to get over this difficulty might be for the Prime Minister, when she tells the Cabinet, not to specify the date on which the test is to take place, but simply to say that there is to be, within the next few days, another in the normal series of underground nuclear tests; that the test is part of a series planned in advance, and long before the Falkland Islands crisis, so that the test has nothing whatever to do with that affair, and that the information that there is to be another such test is confidential.

4. I would propose not to record what the Prime Minister says in the circulated Cabinet minutes.

RA

ROBERT ARMSTRONG

13 April 1982

SECRET

file

29
Defence

SIR ROBERT ARMSTRONG

BRITISH UNDERGROUND TEST PROGRAMME

Thank you for your minute of 5 April. The Prime Minister agreed that she should not mention at Cabinet on 6 April the postponement of the next British underground nuclear test, but should do so at a later meeting of Cabinet.

A. J. COLES

8 April 1982

202

SECRET

Ref: A08040



SECRET

Prime Minister

Agree to postpone informing
Cabinet?

28

MR. COLES

Yes not

AR 5/4

British Underground Test Programme

In his minute to you of 1st April, the Secretary of State for Defence's Private Secretary explains that the next British underground nuclear test has had to be put back from 8th April to 20th April because of the bad weather. The Prime Minister usually informs the Cabinet about nuclear tests shortly before they take place. The only routine opportunity to inform Cabinet in advance of 20th April would have been tomorrow's meeting. But the Prime Minister may agree, as she did in similar circumstances last autumn (your letter of 5th November 1981 to Mr. Omand), that she should not mention this test tomorrow because of the length of the interval before the day of the test. Furthermore, there may now have to be other meetings of the Cabinet before 20th April to discuss the Falkland Islands, and one of these meetings might provide an opportunity for the Prime Minister to inform her colleagues.

Robert Armstrong

5th April 1982

SECRET

SECRET



FILE SW

27

Refera

10 DOWNING STREET

From the Private Secretary

2 April, 1982

British Underground Test Programme

The Prime Minister has noted that our next nuclear test has had to be put back to 20 April (your letter of 1 April refers).

A. J. COLES

D. B. Omand, Esq.,
Ministry of Defence

SECRET

ae

SECRET

Prime Minister

To be aware.

A.J.C. 1/4



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~920 7022~~ 218 2111/3

26

MO 12/2/4

1st April 1982

Dear John, *ms*

BRITISH UNDERGROUND TEST PROGRAMME

I am writing to let you know that our next nuclear test, to which the Prime Minister has already agreed (your letter of 19th February) has had to be put back to 20th April, 1982 from the originally planned date of 8th April. There is nothing untoward about the delay: it has been caused by bad weather conditions which have held up preparations, and has no implications for the success of the test.

I am sending copies of this letter to the Private Secretaries to the Home Secretary, the Foreign and Commonwealth Secretary and the Chancellor of the Exchequer, and Sir Robert Armstrong.

Yours ever,

(D B OMAND)

THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT

A J Coles Esq

SECRET

010

Defence.

Ref: B06442



p.a.

MR COLES

M 16/3

c Mr D J Wright

Trident

I attach, for your retention, the original of President Reagan's letter to the Prime Minister as exchanged in Washington on 11th March.

RWG

15th March 1982

R L WADE-GERY

SUBJECT.

Original sent to
Defence Dept. of
F.C.O.

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 44 A / 82

THE WHITE HOUSE
WASHINGTON

cc. Master six
ops.

March 11, 1982

Dear Margaret:

Thank you for your letter of March 11.

I am pleased to confirm that the United States Government is prepared to supply to the United Kingdom TRIDENT II missiles, equipment and supporting services as proposed in your letter, subject to and in accordance with applicable United States law and procedures.

The United States readiness to provide these systems is a demonstration of the great importance which the United States Government attaches to the maintenance by the United Kingdom of an independent nuclear deterrent capability. I can assure you of the United States' willingness to cooperate closely with the United Kingdom Government in maintaining and modernizing that capability.

I attach great importance to your assurance that the United Kingdom TRIDENT II force will be assigned to NATO and that the economies realized through cooperation between our two governments will be used to reinforce the United Kingdom's efforts to upgrade its conventional forces. Such nuclear and conventional force improvements are of the highest priority for NATO's security.

I agree that, as the next step, our two governments should initiate the technical and financial negotiations which you propose.

Sincerely,

Ron

The Right Honorable
Margaret R. Thatcher, M.P.
Prime Minister
London

file

ds

CONFIDENTIAL

Deferre

15 March 1982

I enclose a copy of a message which President Reagan has sent to the Prime Minister in reply to Mrs. Thatcher's message of 11 March about the sale of Trident II. In his second paragraph President Reagan expresses regret at the embarrassment caused by premature press reports about his visit to London.

I am sending a copy of this letter and enclosure to David Wright (Cabinet Office).

A J COLES

Francis Richards, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

ds

SUBJECT

WAG021
TOO WTE24
DE WTE £1321 0720211
O 130224Z MAR 82
FM THE WHITE HOUSE
TO CABINET OFFICE LONDON
ZEM

Prime Minister

*cc Master
Ops + also copy
on Reagan
visit
file*

C O N F I D E N T I A L VIA CABINET OFFICE CHANNELS WH01321

DEAR MARGARET,

THANK YOU FOR YOUR KIND NOTE ON THE TRIDENT II SALE
ON WHICH WE EXCHANGE OFFICIAL LETTERS THIS WEEK. I
TOO THINK IT IS A PERFECT EXAMPLE OF THE COOPERATIVE
RELATIONSHIP THAT EXISTS BETWEEN OUR GOVERNMENTS AND IS
MIRRORED IN THE MANY CLOSE PERSONAL RELATIONSHIPS BETWEEN
AMERICANS AND BRITONS.

13.3.82

MAY I ADD HOW MUCH I REGRET THE EMBARRASSMENT WHICH
PREMATURE PRESS REPORTS CONCERNING MY VISIT TO LONDON
CAUSED YOU AND YOUR COLLEAGUES AND HOW MUCH I APPRECIATE
YOUR SENSITIVE HANDLING OF THAT ISSUE. NEEDLESS TO ADD,
NANCY AND I ARE LOOKING FORWARD TO OUR UK VISIT WITH
THE KEENEST OF PLEASURE.

WARM REGARDS,

RON

THE RIGHT HONORABLE
MARGARET THATCHER, M.P.
PRIME MINISTER
LONDON
0166
£1321

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T47/82

mt

NNNN

Defence

Trident Missile Programme

3.45 pm

The Secretary of State for Defence (Mr. John Nott): With your permission, Mr. Speaker, I should like to make a statement about the Government's decision to modernise the existing Polaris force by replacing it, in the mid-1990s, with a four-boat force based on the Trident II D5 missile system.

On 15 July 1980, my predecessor announced the Government's decision in favour of Trident as the replacement force for Polaris, but, as I told the Defence Committee of the House in March last year, final decisions were still needed on the type of submarine and the choice of missile.

We have now decided that our four Trident submarines, to be built at Vickers, Barrow, will have a larger hull section than previously planned, and will incorporate an advanced propulsion system and the latest sonars. After detailed consideration here, and with the United States, we have now decided also to purchase the Trident II D5, instead of the Trident I C4 missile system, from the United States.

The number of warheads that the Trident II D5 missile will carry, and therefore Trident's striking power, remains wholly a matter of choice for the British Government. Our intention is that the move to D5 will not involve any significant change in the planned total number of warheads than we originally envisaged for our Trident I C4 force.

The reasons for our choice of Trident II are briefly as follows. Just as the Polaris system will, by the mid-1990s, have been in service for approaching 30 years and will have reached the end of its operational life, so the Trident system must remain a credible deterrent for a similar period and thus remain operational until 2020—that is, 40 years from now.

Our experience with Polaris and the decision—endorsed by the last Labour Government—to modernise the Polaris missile with Chevaline at great cost has shown us the financial and operational penalties of running and developing a United Kingdom unique system.

Following President Reagan's decision to accelerate the Trident II D5 programme, if we were to choose the C4 missile, it would enter service with the Royal Navy only shortly before it left service with the United States. This would mean that the United Kingdom alone would be responsible for keeping open special Trident I C4 support facilities in the United States, and the United Kingdom alone would be forced to fund, as with Chevaline, any research and development needed to counter improved Soviet anti-ballistic missile defences. For these reasons, our judgment is that the through life costs for Trident I would almost certainly be higher than for Trident II.

Accordingly, we have entered into an agreement with the United States to purchase Trident II. An exchange of letters between the President of the United States and my hon. Friend the Prime Minister is set out in Cmnd. 8517 published today, together with an exchange of letters between the United States Defence Secretary and myself on the terms of the arrangements.

The United States Government are selling Trident II to us on more advantageous terms than Trident I. The missile will be purchased by us at the same price as the United States Navy's own requirements in accordance with the Polaris sales agreement. The additional overheads and

levies will be lower than would have been the case under our 1980 agreement to purchase Trident I C4. In particular, the so-called R and D levy will in fact be a fixed sum in real terms, and there will be a complete waiver of the facilities charge which was part of the C4 deal. I emphasise to the House that the terms protect us completely from development cost escalation. Finally, the United States will waive certain of the Buy American Act provisions and set up a liaison office in London to advise British industry on how they can compete—on equal terms with United States industry—for sub-contracts for weapon systems components for the D5 programme as a whole, including the American programme.

When I appeared before the House of Commons Defence Committee, I made it clear that the range of options which we still had to study for the Trident system, over and above the total cost of £5,000 million then given, could be confined within an additional £1,000 million at 1980 prices and exchange rates—and so it will.

On this basis, the initial capital costs of the Trident II D5 missile system will be an extra £390 million above the Trident I C4 missile system which represents an addition of about 7 per cent. to the total cost. We have now decided also to fit the latest propulsion system, the British pressurised water reactor 2, already under development, and improved sonar systems, which together with the larger hull will add about a further £500 million to the cost, which will mean additional work for British industry but within the £1,000 million total increase. These changes will greatly improve the efficiency and the quietness of the submarines. As a result, we are planning to run our submarines for around seven years between refits so that the availability of the submarines for patrol can be greatly increased. This will allow us to maintain three boats in the operating cycle for a high proportion of the time. The Trident II D5 missile should also have an in-tube life within the submarine of at least seven years, a much longer period than for Polaris, thus greatly reducing maintenance which will be largely carried out on board the submarine.

At September 1980 prices, therefore, we will spend on Trident about £6,000 million. Updating the price basis to September 1981 prices, which reflects a much lower exchange rate than in September 1980, adds a total of about £1,500 million. So the total cost over the procurement period will, at 1981 prices, be £7,500 million against an estimated total defence budget over the same period of approaching £250,000 million. That is just over 3 per cent. of the total defence budget.

This means that we shall spend on Trident at current prices an average of somewhat under £500 million a year against total defence spending of £14,000 million a year.

I am making available now in the Vote Office a document explaining the Government's decision which also shows on page 8 how the cost of Trident compares with the anticipated capital expenditure on our conventional forces. This information has not been published before.

From this, it can be seen that Trident expenditure over the next 15 years is a far smaller amount than our planned expenditure on equipment for our major conventional capabilities such as anti-submarine warfare or offensive air operations. With the 3 per cent. growth in the defence budget until 1985-86, several billions of pounds extra in real terms will still be available to spend on our conventional defences in future years.

[Mr. John Nott]

For about 3 per cent. of the defence budget, we shall be modernising the British independent nuclear force that successive Governments have considered to be essential for our national security over the past 30 years. Nothing has happened to change that need—rather the reverse.

The Government remain convinced that no other choice by Trident will provide a credible nuclear deterrent into the year 2000 and beyond. No other use of our resources could possibly contribute as much to our security and the deterrent strength of NATO as a whole. To choose a system lacking in credibility to an aggressor, or, still more, to abandon unilaterally a capability that we have now maintained for three decades, would be a futile gesture that would serve to increase rather than to diminish the risk of war.

Mr. John Silkin (Deptford): Labour will cancel the Trident project. We shall do so for three basic reasons.

First, this programme escalates the arms race, particularly in the light of the Geneva talks and the United Nations special session on disarmament. Incidentally, I hope that the Prime Minister will be going to that special session.

Secondly, the project breaks the spirit if not the letter of the non-proliferation treaty.

Thirdly, despite all that the Secretary of State says, the expense will have an effect upon our conventional forces which will destroy the security of these islands. Moreover, while I am on the subject, the Secretary of State may bamboozle his colleagues in the Cabinet, but he will not bamboozle the House. He says that the cost is 3 per cent. of defence expenditure, but he does not tell us that it is almost one-quarter of the expenditure on new equipment in the major maximum years.

I wish to ask the Secretary of State the following questions. First, what pressure is he maintaining on the United States Government for the United Kingdom to take part in the Geneva talks? If, he says, we are to have this new and devastating nuclear weapon system, we should be at the top table of which he talks so often.

Secondly, to what extent will the 50,000 jobs lost as a result of the devastation of our conventional forces by this be offset by the programme itself?

Thirdly, how can the Secretary of State be so sure about the cost? He made an interesting point in this respect. He talked about 1981 prices. There has been 12 per cent. inflation since then. Quite apart from that, however, how can he be so certain of the cost when, first, there is no experience whatever in building submarines of this kind, as they are far larger than any that we have previously had, and, secondly, we do not have experience even with the warheads? Finally, on what basis is the right hon. Gentleman taking the exchange rate in talking about 1985 and onwards?

Mr. Nott: There are many questions to answer. I shall do my best to answer them.

It will be no surprise to the House that the Labour Party now says that if it ever comes to power it will cancel Trident. We realise the pressures upon the right hon. Gentleman from his party. We must be realistic about his difficulties.

When Trident II is introduced it will represent only about 3 per cent. to 4 per cent. of the planned number of Soviet strategic missiles. That is approximately the same

proportion of the Russian strategic missile force that Polaris represented when it was introduced. It is not true to say that this escalates the arms race. If there is an escalation of the arms race, it comes from the Soviet Union, which is introducing one new SS20 every week.

This is no more than a modernisation of our existing force, which we have retained for 30 years. It does not break the letter of the non-proliferation treaty. That is an inaccurate statement. [HON. MEMBERS: "It breaks the spirit".] Nor does it break the spirit. The non-proliferation treaty never sought to refer to existing nuclear powers.

The right hon. Gentleman is in no position to lecture us about conventional forces. There are nearly 30,000 more Regulars and reservists in the Services than there were when we came to office. Every unit is up to strength. We now have one-third more tanks manned and operational in Germany, and the amount spent on defence equipment with British industry in the coming year will have doubled since the last general election. If there is a difference at all, it is only on nuclear policy. The Labour Government modernised Polaris secretly by developing Chevaline while we are doing so openly with Trident.

Is the Labour Party proposing now to increase defence expenditure by 3 per cent. a year? Is it proposing to switch what we would spend on the nuclear deterrent to conventional forces? If so, why did the Labour Party vote to decrease total defence spending to the NATO European average, which would mean spending £3.5 billion a year less than we are spending on defence today?

In regard to the escalation of cost, Vickers, Barrow—whose Member for Parliament is present today—has an excellent record. It has built 22 nuclear submarines with no real cost increases.

The technology is very much the same and we shall benefit from the experience of the United States in building the "Ohio". The Trident II D5 missile will have the same warhead as the Trident I missile. It has already been tested and development is far advanced. I see no reason for escalation in that cost.

The Americans have a very good record of developing missiles to cost. Anyhow, we are wholly protected by a fixed sum against any R and D escalation, as I have already said. The pressurised water reactor, too, has also been nearly developed. We have an enormous contingency allowance in any event in our figures.

I keep on telling the right hon. Gentleman that the Geneva talks are nothing to do with strategic arms. He may believe that they are, but the Soviet Union knows that they are nothing to do with strategic arms. They are to do with European theatre weapons.

On the possible loss of jobs, if the Labour party cancels this programme about £4,000 million worth of business will be lost to British industry. I do not think that any of us has ever believed Labour Party assurances when it has been in Opposition before. Its assurances have always proved wrong in the past, and I see no reason why they will not prove wrong again.

Mr. David Steel (Roxburgh, Selkirk and Peebles): Is the Secretary of State aware that the fact that this Government are continuing openly what the previous Government did secretly is not an argument about the merits of the independent nuclear deterrent? Will he accept that, as no other political party in the House accepts this programme, its likelihood of cancellation is very

high? What discussion has he had with our allies on that, particularly since it is not required under our obligations to NATO?

Will the right hon. Gentleman confirm that if we leave aside the future commitment in the defence budget on pay, pensions, buildings and so on, the real percentage cost of this system is over 20 per cent. of the capital procurement programme? That is the real effect on the conventional defence system.

Finally, will the right hon. Gentleman be more explicit about the compensation that he believes he has obtained for the jobs lost in our dockyards and electronic industries through the cutbacks in our conventional forces?

Mr. Nott: Our conventional forces are greatly strengthened beyond what they were two and a half years ago. In a whole range of areas the capability of our conventional forces has been transformed since May 1979.

Our allies welcomed the Government's decision to introduce the Trident programme. My predecessor raised this matter in NATO at the time and the introduction of Trident as a modernisation of Polaris was welcomed by our NATO allies.

I invite the right hon. Gentleman and his hon. Friends to study some of the facts. There are obviously some facts which can be available only to a Government. I have looked at every possible option for the modernisation of Polaris with, I hope and I believe, a totally open mind. If he were trying to select an independent nuclear capability that would take us into the year 2000 and beyond, the right hon. Gentleman would find, as I have found, that there is only one option—the Trident system.

Trident will take up on average about 6 per cent. over the years of our total equipment budget. At the very peak of equipment spending it will take up about 11.5 per cent. of that spending. This country, which has been in this business through successive Labour and Conservative Governments for the security of these islands, can afford over the next 18 years, while we are building this, to spend 3 per cent. of the defence budget on this capability. It is essential for the maintenance of peace and the defence of these islands.

Several hon. Members rose—

Mr. Speaker: I propose to allow 20 minutes for questions on this subject. We cannot debate it today.

Mr. Antony Buck (Colchester): Is my right hon. Friend aware that those on both sides of the House who try to give even-handed consideration to these matters will welcome what he has just announced, as will people throughout the country? Will he confirm that the main considerations which have caused him to arrive at this conclusion are the same considerations which caused the Labour Party to come to the conclusion that it was right to go for Chevaline relative to Polaris? Will he also confirm that it will mean many jobs for British industry?

Mr. Nott: I can confirm that we are talking about large numbers of jobs for British industry and a huge programme which will stretch over the period of 18 years while this modernisation is being brought forward. I understand that the decision on Chevaline was taken by a rather small number of members of the Labour Government. We have debated the matter openly throughout our period in office, and we have arrived at a decision unanimously after a long debate within the Government.

Chevaline seemed necessary to the Labour Government to keep Polaris credible as a deterrent to the Soviet Union over the next 10 years. There is no point in retaining a strategic independent deterrent if it is not credible in the eyes of the Soviets. That is the judgment we have to make. It was the judgment that the Labour Government made and the judgment which we have to make about a system which we anticipate will need to be operational 40 years from now.

Mr. Frank Allaun (Salford, East): Does the Secretary of State accept that the latest public opinion polls show a massive 63 per cent. against both versions of the Trident, with only 23 per cent in favour of them? That is a ratio of nearly three to one. Does he further accept that it is only a year since a similar poll showed that there was opposition, but it was then only 55 per cent. to 33 per cent.? Does this not show that the British people have rejected the Secretary of State's argument on moral, financial and survival grounds?

Mr. Nott: Since I have only just made the statement, it is hard to believe that the British people could have rejected Trident. We can all swap the results of polls with each other, but the polls I take into account are the recent polls in *The Observer* and *The Guardian* which showed that 67 per cent. of the British people are in favour of Britain retaining her nuclear deterrent and that within that a majority of Labour Party supporters who were questioned were also in favour of this country retaining an independent deterrent. [Interruption.] We have to show the right hon. Member for Plymouth, Devonport (Dr. Owen) that, if the British people believe in an independent nuclear deterrent, this is the only credible system which will provide us with that capability. That I intend to do from now onwards.

Sir Hugh Fraser (Stafford and Stone): While congratulating my right hon. Friend on the deal that he seems to have effected with the American Government, I should like to express areas of dissent on the Conservative Benches quite separate from those expressed by right hon. and hon. Members on the Opposition Benches. We are now involved in weaponry which is essentially the weaponry of a super Power. That means that there must be an effect on our conventional defence budget and other parts of our general military budget, the essential balance of which must be a powerful conventional force which is effective and useful. I am sure that several of my hon. Friends find it difficult to accept that we should now embark on a system which, because of its financial and military considerations, is bound to affect this country's general defensive stance, which must essentially be based on common sense.

Mr. Nott: We found in our history that the crossbow was needed to modernise the longbow, and that the pitchfork was not sufficient match for the crossbow. The threat that faces this country comes from a super Power. If my right hon. Friend thinks that we can defend this country against a super Power, bearing in mind the weapons that that super Power possesses, with weapons that are inadequate, he is wrong. If we are to defend these islands against a threat from a super Power, I am afraid that it is necessary to have some weapons that can act as a deterrent against that super Power. That is what we are talking about.

Mr. Robert C. Brown (Newcastle upon Tyne, West): Is the Secretary of State aware that many thousands of British people of all political persuasions see as a No. 1 priority the defence of the United Kingdom within NATO? Many thousands of them will be dismayed at his statement, which will expose the sharp end of the United Kingdom's defence—the British Army of the Rhine and the Atlantic fleet—and put it in jeopardy.

Mr. Nott: The hon. Gentleman, who has some experience of these matters, must recognise that NATO's deterrent strategy is to a great extent built on nuclear deterrence. There is no point in the Labour Party's trying to pretend that that is not so. When the hon. Gentleman was, I believe, in the Ministry of Defence—anyway, it was three years ago, when the Labour Party was in Government—we could not even man our tanks in the British Army of the Rhine because all the units were so much under strength. We now have a third more tanks manned and operational in Germany than we did then. Throughout our conventional capability the Services are up to strength. We are introducing new weapons systems the whole time.

If we say "We shall not spend that 3 per cent. of the total defence budget on the nuclear capability", we shall be abandoning something that successive Governments, some of which the hon. Gentleman served in, have believed for the past 30 years in retaining. I am saying that for 3 per cent. of the defence budget we can afford to keep in that business. We must afford to keep in that business, because it is necessary for our defence.

Dr. David Owen (Plymouth, Devonport): The Secretary of State should correct the misleading impression that he gave that the Chevaline decision was made by the last Labour Government. He must be aware that the decision was made by the Administration of the right hon. Member for Sidcup (Mr. Heath), and indeed was even planned and thought about when the previous Labour Government were in power.

On the central question, is the right hon. Gentleman aware that many people—Service men and others, who have had available to them the same information as he has, have come to a different conclusion, and regret the decision to spend in current prices over £8 billion on the Trident missile system? While being fully committed to Britain continuing as long as possible to make a contribution to NATO's nuclear deterrence, they nevertheless believe that it would have been wise for him to spend the money that he has already allocated—£300 million—on Polaris motors, to extend the life of Polaris as long as possible, and to consider in 1990 a decision whether to put cruise missiles on hunter-killer submarines. The right hon. Gentleman is under the most serious criticism for having cut the surface Navy and for having cut the hunter-killer submarine build-up rate. They will not now be able to be built in Barrow, because of the Trident decision.

Mr. Nott: I have not cut the hunter-killer submarine build-up rate. I inherited a programme to have 17 hunter-killer submarines in operation by the end of this decade, and that is what we shall have. If I said that Chevaline was decided on by the last Labour Government, I should have said it was endorsed by the last Labour Government, and carried on by the last Labour Government secretly.

I am not sure who are the Service men who have the same information as I do and who are against Trident. I know that I am in trouble with some retired admirals, but who are the Service men who have the information that I have at my disposal and who are against the Trident decision? Those Service men who have the same information as I have—and there are very few of them—are unanimously in favour of the decision.

For someone who has served in the Ministry of Defence to suggest that our Polaris submarines can go on into the year 2000 and beyond completely ignores all the advice that anyone is putting forward. They would be too noisy and would be detected. They will then be more than 30 years old. It is an impossible policy. It would not take more than a few minutes to show the right hon. Gentleman why it is nonsense.

If the right hon. Gentleman wants to put cruise missiles on Polaris submarines, the answer is that not only would the submarines be discovered but by the year 2000 the missiles would not penetrate to their target. It would be the biggest waste of money that the SDP had ever contemplated. The right hon. Gentleman's suggestions do not add up. I ask the right hon. Gentleman to come and get some of the facts. If he is humble enough to consider them, perhaps we can convince him that he is wrong.

Mr. Cranley Onslow (Woking): In welcoming my right hon. Friend's very important and sensible statement, I should like to tell him that the Select Committee on Defence would much appreciate it if he agreed to give evidence to us at an early convenient date, so that all the facts can be gone through and all the relevant reason for his decision can be established, so far as that is possible in public. That would be for the benefit not merely of Opposition right hon. Members, who seem to have wilfully misinformed themselves, but of the public at large, so that they can understand the full reasons why my right hon. Friend has come to these vital decisions.

Mr. Nott: I shall be happy to come to the Committee at the earliest convenient opportunity. I thank my hon. Friend for the invitation.

Mr. Gordon Wilson (Dundee, East): Does the Secretary of State realise that the decision that he has just taken will affect Scotland particularly, since these hellish weapons of destruction will be situated close to Scotland's centre of population? Public opinion in Scotland, including views within the Conservative Party, is utterly hostile to the Trident missile system. Does not the right hon. Gentleman realise that if he goes ahead with the project, if a subsequent Government do not cancel it, a Scottish Parliament or Assembly most certainly will?

Mr. Nott: I do not know that the House regards that as a big threat, but we take note of the hon. Gentleman's views. If the project did not go forward, about 4,000 jobs would be lost at Coulport. Has the hon. Gentleman obtained the views of the 4,000 Scottish people who work in that depot? I do not think that they would agree with him.

Mr. Alan Clark (Plymouth, Sutton): I congratulate my right hon. Friend on having negotiated a most successful agreement, at a price much less than many of us had feared, for what is unquestionably the finest strategic deterrent system and one best suited to the needs of the United Kingdom. But what guarantees are there that

during the currency of the procurement of the system it will not be cancelled, either at the whim of the United States Congress or as a result of changes of President or changes of presidential mood or attitude over the next 20 years?

Mr. Nott: On the whole, our allies tend to keep to their agreements. I do not think that such a hypothetical situation has ever arisen, nor do I think that it is probable.

The answer to my hon. Friend's question is that most of the system will be built here, by British industry. It is only the missile and the missile control system that we are buying from the United States. The majority of the expenditure will be made here in the United Kingdom. There is nothing in this technology which we in this country are not inherently capable of producing. Indeed, the French Socialist Government—and in the French Socialist Government the Communists actually declare their colours—are spending 25 per cent. of their present defence budget on their nuclear deterrent. We can do this ourselves, as we have proved with Chevaline, but it would be enormously expensive to do so and it is cheaper to buy the technology from the United States.

Mr. Dick Douglas (Dunfermline): Does the Secretary of State recall a speech he made in which he indicated that the cost of Chevaline had gone bananas? What chance is there that the cost involved here in relation to Trident will not go the same way? Additionally, whilst he is talking about jobs, has he noted that in the financial statement one of the worries of this country is import penetration? The cost of going for Trident in this way, and at this time, may be a diminution by British industry generally to compete across the board and thus, whilst strengthening our defence, may be weakening our total economic position.

Mr. Nott: I do not underestimate the technical difficulties which face the United Kingdom industry in competing successfully for the United States Trident programme. On Sub-Harpoon, Chinook, the advanced Harrier, Rapier, and a whole range, we have just recently done about £1,000 million worth of business in defence equipment with the United States.

If the Hawk, the Searchwater and other programmes go forward, we hope to do another £1,000 million worth of business with the United States. If this two-way street did not exist, if we were not buying and selling each other's defence equipment, those extra jobs would not be created for British industry.

I do not accept that this is a programme which is any more subject to escalation of costs than any other highly advanced technology, because most of the content of this programme is already well developed. To say that we have not tested our warheads is not true. We have. It is the same warhead as the Trident I. There is a misunderstanding on this. There is a great deal of business for British industry in this. I hope it succeeds in doing as well on this programme as it has done on the other American programmes.

Mr. Keith Speed (Ashford): If the choice is between modernising Polaris or between C4 and D5, we are undoubtedly right to stay with D5. There is no alternative. Will the Minister answer two questions? First, we have not heard what will be the percentage of expenditure of the naval equipment programme at the apogee of the Trident expenditure. Secondly, I am concerned about the

submarine building capacity, because we need a regular building programme for the SSN. Some of the SSNs are getting old and the first one is already to be scrapped. We must be ready to build the new 2400 SSKs.

Mr. Nott: We have a defence equipment programme, and what I am concerned about is defence capability. I look at our overall defences. We are finding money for the Trident programme as a separate item. Trident will be manned by the Royal Navy. It is easier to manage this programme under the Royal Navy and put it in its programme. But it is not right to say that if we had not had Trident the naval programme would have been different. That does not follow logically. It is financed by the defence programme. The SSN programme is going forward as planned when the hon. Member was in the Department. We shall build as many SSNs as we can at Vickers, Barrow, until the moment comes for Trident to take up. We have not yet placed the orders for the SSK programme, but as soon as we are in a position to do so we shall consider which yard shall take them.

Mr. Stanley Newens (Harlow): Will the Minister tell us how he proposes to meet the costs of this weapon after 1985 when they escalate to the peak? Does he propose to meet them out of the normal defence budget, which will mean cutting down on conventional expenditure, or does he propose to have a special budget which will add even more to the gigantic escalation of defence expenditure which his Government are proposing? If so, how on earth will this country afford it?

Mr. Nott: We have to look ahead over 10 years to see when the peaks of different items of equipment will come. At no point, even in the peak year of spending on Trident, will it be as expensive as Tornado will be next year in my programme. The peak year will probably be in the last year or two of the 1980s. At the peak of our programme D5 will take up about 11½ per cent. We shall pay for it, as we are now paying this year and next year, for a much more expensive programme, namely, the Tornado aircraft. It will be financed in exactly the same way as our conventional programme is being financed now.

Sir Timothy Kitson (Richmond, Yorks): Will my right hon. Friend clarify one point in his statement? If the cycle between refits for the new Trident submarine is to be seven years, can he assure the House that there will be no need to order a fifth vessel?

Mr. Nott: Because of the extended length of the refits—seven years—four Trident submarines are equivalent to at least five Polaris submarines. We do not now need to contemplate five submarines. Four Trident D5s, with a much longer refit interval and the in-tube life of seven years, plus the missile, are equivalent to more than five Polaris submarines. We shall have three in the operational cycle for a large proportion of the time.

Mr. Bruce George (Walsall, South): Does the Minister agree that it is not simply a replacement programme but that in terms of quality and quantity of warheads D5 represents almost a quantum leap forward? Will the Minister tell the House why we require a hard kill capability? Will he inform his hon. Friends what cherished projects are likely to be cancelled as a result of this £8,000 million expenditure?

Mr. Nott: I am not sure what the hon. Gentleman means by referring to the quality of the warhead. The D5 will have exactly the same warhead as the C4. The yield depends on what we decide the yield will be.

As for quantity, we do not intend to have more warheads than in the case of Trident I. We intend to have approximately the same number as Trident I. So, in terms of quantity, it is not, in our present planning, an escalation. The number of warheads on the missile need not necessarily be more than we now have on Polaris. That is a matter of choice for the British Government of the time.

As for the hard kill capability, it is certainly true that D5 is a more accurate missile than C4 and much more accurate than Polaris. It can knock out a specific discreet target in a way that Polaris could not. But that is not why we want it. We have chosen it because of commonality with the United States. We want to be on the same system as the United States for all the benefits that I gave in my statement.

Mr. Anthony Nelson (Chichester): I congratulate my right hon. Friend on his decision and on striking what appears to be an exceptionally favourable financial deal. The capital cost of such a programme is undeniably high, but will my right hon. Friend explain about the year-on-year running costs? Is it not a fact that the current cost of the existing Polaris deterrent is about the equivalent of building about 13 miles of motorway a year? Does that not prove that over a period the running cost of the deterrent is a low price to pay for the ultimate guarantee of our national security and independence?

Mr. Nott: My hon. Friend is right. The running costs of our existing strategic deterrent and of Trident are low. To give my hon. Friend an idea, our strategic deterrent requires only about 4,000 to 5,000 people to keep it operational whereas 650,000 people are required for defence overall. Therefore, in terms of revenue, the cost is 1½ per cent. of the defence budget and only 4,000 people of the 650,000 are required, which is a small proportion.

Mr. Denzil Davies (Llanelli): Why does not the Secretary of State come clean with the House and admit that the figure of £7.5 billion is merely one of the heavily massaged Ministry of Defence figures that are put to the Cabinet so that the Secretary of State can try to get past the Treasury and his colleagues. The Secretary of State never answered the question on this matter. The figure will be higher because the submarines are different—witness the American problem with the Ohio submarine—from what we built before. The warhead is different even from the Chevaline warhead. The Secretary of State should have learnt some lessons from that. He has no idea what the exchange rate is likely to be when the payments will have to be made. Is it not clear that the decision has not been based on any rational analysis of Britain's defence and security interests? It is not based on a rational analysis of our economic capacity to bear those burdens. It is an emotional spasm that pays no attention to the test ban treaty or to the arms reduction talks that are taking place. It will merely bring much closer the danger of a nuclear holocaust.

Mr. Nott: If it is an emotional spasm it has been a disease of eight successive Governments. I think that the

right hon. Gentleman has served in some of them. We shall keep on with the strategic deterrent adopted by his Government until the end of its operational life. The Trident will replace it.

The comprehensive test ban treaty is not relevant. We are in favour of it and we want it. We are trying to get it. I do not know why that should be relevant. We have a large contingency figure in the programme of about £1,000 million. The Ohio programme was the first of its kind. We will benefit from the Americans' experience resulting from the problems that they had. They were welding problems, which I believe we shall not have at Vickers, Barrow. I am afraid that the right hon. Gentleman does not know what the Chevaline warhead is. Few people know. I cannot say more than that. Like members of previous Labour Governments, the right hon. Gentleman would be better advised to think about the security of the country before he thinks about the problems within his party.

Mr. Bob Cryer (Keighley): On a point of order, Mr. Speaker. May I ask you to extend questions on the statement, which have taken about 25 minutes so far? There is a one-line Whip on tonight's debate. There have already been two days' debate on the Budget.

Mr. Speaker: Order. I am not open to such representations at this time.

Mr. Cryer: Why not?

Mr. Speaker: Because I have already given the House a decision on the matter. The statement began at a quarter to four. I am not continuing with it.

Mr. Barry Henderson (Fife, East): On a point of order, Mr. Speaker.

Mr. Speaker: Is it on the same matter, because I am not taking points of order on whether I should permit further questions?

Mr. Henderson: I should like to ask you, Mr. Speaker, to put on the record that anyone listening to the questions on the statement might have got the impression that all Scottish Members were called from the Opposition—

Mr. Speaker: Order. I am sorry for the hon. Gentleman and for all hon. Members who did not catch my eye. However, the questions cannot continue.

Mr. Cryer: Mr. Speaker—

Mr. Speaker: Order. The hon. Gentleman always makes a noise when he is not called. If the rest of the House behaved like that, this place would be bedlam.

STATUTORY INSTRUMENTS, &c

Motion made, and Question put forthwith pursuant to Standing Order No. 73A (Standing Committee on Statutory Instruments, &c.)

REPRESENTATION OF THE PEOPLE

That the draft Representation of the People (Variation of Limits of Candidates' Election Expenses) Order 1982, which was laid before this House on 18th February, be approved.—[*Mr. Thompson.*]

Question agreed to.

MRPQXZFZBBWVEI

Copy to

- ✓ 1. Mr. Cates, No 10
- 2. Th. Hastie Smith 7201
- 3. Th. Gillmore FCO
- 4. Sir R. Armstrong / Mr. Facer / file.

WONCAB 002/11

FLASH

PRK

11/3

ZZ CABINET OFFICE

GR 30

RESTRICTED
 FM WASHINGTON 111426Z MAR 02
 TO FLASH CABINET OFFICE
 TELEGRAM NUMBER 111426Z MARCH

f.a.

MR 11/3

FOLLOWING FOR MADE GERY
 MY TELEGRAM MISC 05
 1. EXCHANGE OF LETTERS TOOK PLACE AT THE WHITE HOUSE AT 0900
 HOURS THIS MORNING.

HENDERSON

NNNN

QSL FLASH AT 11/1434ZVJS

24



MO 18/1/1

MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1A 2HB

2111/3

Telephone 01-218 (Direct Dialling)

01-218 9000 (Switchboard)

11th March 1982

Dear Sir,

p.a.
ADL 11/3

TRIDENT

I attach a copy of the Statement which my Secretary of State will be making in the House this afternoon. It will be repeated in the House of Lords by Lord Trenchard.

I am copying this letter to Brian Fall (FCO), John Kerr (HM Treasury), David Heyhoe (Lord President's Office), Murdo MacLean (Chief Whip's Office), Michael Pownall (Chief Whip's Office, House of Lords), David Wright and Robert Wade-Gery (Cabinet Office). I am also sending a copy direct to the Chief Press Secretary, No 10.

Yours ever,

(D B OMAND)

C A Whitmore Esq

With your permission Mr Speaker I would like to make a Statement about the Government's decision to modernise the existing Polaris force by replacing it, in the mid 1990s, with a four-boat force based on the Trident II D5 missile system.

On the 15th July 1980 my predecessor announced the Government's decision in favour of Trident as the replacement force for Polaris; but as I told the Defence Committee of the House in March last year final decisions were still needed on the type of submarine and the choice of missile.

We have now decided that our four Trident submarines, to be built at Vickers, Barrow, will have a larger hull section than previously planned, and will incorporate an advanced propulsion system and the latest sonars. And after detailed consideration here, and with the United States, we have now decided also to purchase the Trident II D5, instead of the Trident I C4 missile system, from the United States.

The number of warheads that the Trident II D5 missile will carry, and therefore Trident's striking power, remains wholly a matter of choice for the British Government; our intention is that the move to D5 will not involve any significant change in the planned total number of warheads than we originally envisaged for our Trident I C4 force.

The reasons for our choice of Trident II D5 are briefly as follows:

Just as the Polaris system will, by the mid 1990s have been in service for approaching 30 years and will have reached the end of its operational life - so the Trident system must remain a credible deterrent for a similar period and thus remain operational until 2020 - that is 40 years from now.

Our experience with Polaris and the decision - endorsed by the last Labour Government - to modernise the Polaris missile with Chevaline at great cost, has shown us the financial and operational penalties of running and developing a United Kingdom unique system.

Following President Reagan's decision to accelerate the Trident II D5 programme, if we were to choose the C4 missile, it would enter service with the Royal Navy only shortly before it left service with the United States. This would mean that the United Kingdom would be alone responsible for keeping open special Trident I C4 support facilities in the US; and the United Kingdom alone would be forced to fund, as we have with Chevaline, any research and development needed to counter improved Soviet anti-ballistic missile defences. For these reasons our judgement is that the through life costs of Trident I C4 would almost certainly be higher than Trident II D5.

Accordingly we have entered into an agreement with the United States to purchase Trident II D5 and an exchange of letters between the President of the United States and my rt hon Friend the Prime Minister is set out in Cmnd 8517 published today, together with an exchange of letters between US Defense Secretary and myself on the terms of the arrangements.

The United States Government is selling Trident II D5 to us on more advantageous terms than Trident I C4. The missile will be purchased by us at the same price as the United States Navy's own requirements in accordance with the Polaris sales agreement. The additional overheads and levies will be lower than would have been the case under our 1980 agreement to purchase Trident I C4. In particular the so-called R&D levy will in fact be a fixed sum in real terms, and there will be a complete waiver of the facilities charge which was part of the C4 deal. I would emphasise to the House that the terms protect us completely from development cost escalation. Finally the United States will waive certain of the Buy American Act provisions and set up a liaison office in London in order to advise British industry on how they can compete - on equal terms with United States industry - for sub-contracts for weapon system components for the D5 programme as a whole, including the American programme.

When I appeared before the House of Commons Defence Committee I made it clear that the range of options which we still had to study for the Trident system, over and above the total cost of £5,000M then given, could be confined within an additional £1,000M at 1980 prices and exchange rates - and so it will.

On this basis the initial capital costs of the Trident II D5 missile system will be an extra £390M above the Trident I C4 missile system which represents an addition of about 7% to the total cost. And we have now decided also to fit the latest propulsion system, the British pressurised water reactor 2, already under development, and improved sonar systems which together with the larger hull will add about a further £500M to the cost, which will mean additional work for British industry but within the £1,000M total increase. These changes will greatly improve the efficiency and the quietness of the submarines: as a result we are planning to run our submarines for around 7 years between refits so that the availability of the submarines for patrol can be greatly increased. This will allow us to maintain 3 boats in the operating cycle for a high proportion of the time. The Trident II D5 missile should also have an in-tube life within the submarine of at least 7 years, a much longer period than for Polaris thus greatly reducing maintenance which will be largely carried out on board.

At September 1980 prices, therefore, we will spend on Trident about £6,000M. Updating the price basis to September 1981, which reflects a much lower exchange rate than in September 1980, adds a total of about £1,500M. So the total cost over the procurement period will, at 1981 prices, be £7,500M against an estimated total defence budget over the same period of approaching £250,000M; that is just over 3% of the total defence budget.

This means we will spend on Trident at current prices an average of somewhat under £500M a year against total defence spending of £14,000M a year.

I am making available now in the Vote Office a document explaining the Government's decision which also shows on page 8 how the cost of Trident compares with the anticipated capital expenditure on our conventional forces. This information has not been published before.

From this it can be seen that Trident expenditure over the next 15 years is a far smaller amount than our planned expenditure on equipment for our major conventional capabilities such as anti-submarine warfare or offensive air operations. With the 3% growth in the defence budget until 1985/86, several billions of pounds extra in real terms will still be available to spend on our conventional defences in future years.

Mr Speaker - for about 3% of the defence budget we will be modernising the British independent nuclear force that successive governments have considered to be essential for our national security over the past 30 years. Nothing has happened to change that need - rather the reverse.

The Government remains convinced that no other choice but Trident will provide a credible nuclear deterrent into the year 2000 and beyond; no other use of our resources could possibly contribute as much to our security and the deterrent strength of NATO as a whole. To choose a system lacking in credibility to an aggressor; or still more, to abandon unilaterally a capability we have now maintained for three decades would be a futile gesture that would serve to increase rather than diminish the risk of war.

SUBJECT

PZ-Cole

CAB/WTE HSE 001/11

PRIME MINISTER'S *File 11/3*

IMMEDIATE 110900Z MARCH 82

PERSONAL MESSAGE

FROM: CABINET OFFICE, LONDON

SERIAL No. *T 42/82*

TO: WHITE HOUSE

P.A.

100 12/3

CONFIDENTIAL
MISC 077 DATED 11 MARCH 1982

*cc. master set
ops*

MESSAGE FROM THE PRIME MINISTER TO PRESIDENT REAGAN.

DEAR RON
AS WE TODAY EXCHANGE FORMAL LETTERS ON THE TRIDENT II(D5) MISSILE AS BRITAIN'S FUTURE STRATEGIC DETERRENT, I SHOULD LIKE TO SEND YOU THIS PERSONAL AND CONFIDENTIAL NOTE TO EXPRESS MY DEEP APPRECIATION OF THE CONCERN WHICH YOU HAVE YOURSELF DEVOTED TO THIS IMPORTANT ISSUE AND OF THE CO-OPERATIVE SPIRIT IN WHICH YOUR ADMINISTRATION HAVE CONDUCTED THE NEGOTIATIONS LEADING UP TO THE PRESENT AGREEMENT. I CAN THINK OF NO WAY IN WHICH OUR TWO COUNTRIES COULD MORE POWERFULLY HAVE ILLUSTRATED OUR COMMON RESOLUTION IN DEFENCE OF FREEDOM AND OUR UNIQUE ABILITY TO REINFORCE EACH OTHER'S EFFORTS.

WARM REGARDS
YOURS EVER
MARGARET

NNNN

SENT AT 110902Z BRH

RGRG MATE QSL THAT MSG AT 0902Z

TKS MUCH

KKKKKK

SUBJECT



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T41/82

10 DOWNING STREET

THE PRIME MINISTER

11 March 1982

Dear Mr. President,

get Master
Op

I wrote to your predecessor on 10 July 1980 to ask whether the United States Government would be ready to supply Trident I missiles equipment and supporting services to the United Kingdom on a similar basis to that on which the Polaris missiles were supplied under the Polaris Sales Agreement of 6 April 1963. President Carter replied on 14 July confirming that the United States Government were prepared to do so, subject to and in accordance with applicable United States law and procedures.

In the light of decisions taken by the United States Government in 1981 to accelerate their own programme to procure Trident II missiles, and to phase out the Trident I programme earlier than had hitherto been intended, the United Kingdom Government have carried out a review of their nuclear deterrent programme. In the light of this review, I am now writing to ask whether in place of Trident I missiles the United States Government would be ready to supply Trident II missiles, equipment and supporting services on a continuing basis and in a manner generally similar to that in which Polaris was supplied. The United Kingdom Government would wish to purchase these missiles complete with multiple, independently targettable re-entry vehicles but without the warheads themselves. I propose that, as in the past, close co-ordination should be maintained between the executive agencies of the two Governments in order to assure compatibility of equipment.

Like the Polaris force, and consistently with the agreement reached in 1980 on the supply of Trident I missiles, the United

/Kingdom

Kingdom Trident II force will be assigned to the North Atlantic Treaty Organisation; and except where the United Kingdom Government may decide that supreme national interests are at stake, this successor force will be used for the purposes of international defence of the Western alliance in all circumstances. It is my understanding that co-operation in the modernisation of the United Kingdom nuclear deterrent in the manner proposed would be consistent with the present and prospective international obligations of both parties.

I would like to assure you that the United Kingdom Government remain wholly committed to the strengthening of the Alliance's conventional forces. The United Kingdom Government have in recent years substantially increased their defence spending and further increases are planned for the future in order to sustain the United Kingdom's all-round contribution to allied deterrence and defence. The economies made possible by the United States Government's co-operation with respect to the supply of the Trident I missile system will be used in order to reinforce the United Kingdom Government's continuing efforts to upgrade their conventional forces.

If the United States Government are prepared to meet this request, I hope that as the next step you will be prepared to receive technical and financial missions to pursue these matters using the framework of the Polaris Sales Agreement where appropriate.

Yours sincerely

Margaret Thatcher

The President of the United States of America

23



Prime Minister.

MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~938702X~~ 218 2111/3

Mr NSA has written his
memo. I do not think it is
terribly good. His ideas are trying
to make the passages about costs
rather clear.

10th March 1982

ALL
10 iii 82

MB

Dear Clive,

TRIDENT

My Secretary of State has asked me to circulate to those most closely concerned the attached copy of the draft of the Statement which he proposes to make in the House of Commons tomorrow.

I am copying this letter to Brian Fall (FCO), John Kerr (HM Treasury) and to David Wright and Robert Wade-Gery (Cabinet Office).

Yours ever,
David Omand

(D B OMAND)

C A Whitmore Esq

With your permission Mr Speaker I would like to make a Statement about the Government's decision to modernise the existing Polaris force by replacing it, in the mid 1990s, with a four-boat force based on the Trident II D5 missile system.

On the 15th July 1980 my predecessor announced the Government's decision in favour of Trident as the replacement force for Polaris; of the House in March last year but as I told the Defence Committee/final decisions were still needed on the type of submarine and the choice of missile.

We have decided that our four Trident submarines, to be built at Vickers, Barrow, will have a larger hull section, and will incorporate an advanced propulsion system and the latest sonars. And after detailed consideration here, and with the United States, we have now decided also to purchase the D5, instead of the C4 missile system, from the United States. The reasons are briefly as follows:

Just as the Polaris system will, by the mid 1990s have been in service for approaching 30 years and will have reached the end of its operational life - so the Trident system must remain a credible deterrent for a similar period and thus remain operational until 2020 - that is 40 years from now.

Our experience with Polaris and the decision - endorsed by the last Labour Government - to modernise the Polaris missile with Chevaline at great cost, has taught us the financial and operational penalties of running and developing a United Kingdom unique system.

Following President Reagan's decision to accelerate the D5 programme, if we were to choose the C4 missile, it would enter service with the Royal Navy only shortly before it left service with the United States. This would mean that the United Kingdom would be alone responsible for keeping open special C4 support facilities in the US; and the United Kingdom alone would be forced to fund, as we have with Chevaline, any research and development needed to counter improved Soviet anti-ballistic missile defences. For these reasons our judgement is that the through life costs of C4 would almost certainly be higher than D5.

Accordingly we have entered into an agreement with the United States to purchase D5 and an exchange of letters between the President of the United States and my rt hon Friend the Prime Minister is set out in Cmnd 8517 published today. A letter from the US Defense Secretary to myself setting out the terms of the arrangements is also included in Cmnd 8517.

The United States Government is selling D5 to us on more advantageous terms than C4. The missile will be purchased by us at the same price as the United States Navy's own requirements in accordance with the Polaris sales agreement. The additional overheads and levies will be lower than would have been the case under our

1980 agreement to purchase C4. In particular the so-called R&D levy will in fact be a fixed cash sum, and there will be a complete waiver of the facilities charge which was part of the C4 deal. I would emphasise to the House that the cash terms protect us completely from development cost escalation. Finally the United States will change certain of the Buy American Act provisions and set up a liaison office in London in order to advise British industry on how they can compete - on equal terms with United States industry - for sub-contracts for weapon systems components for the D5 programme as a whole, including the American programme.

When I appeared before the House of Commons Defence Committee

Obscure
I made it clear that the range of options for the Trident system, above the 15 year total cost of £5,000M then given, fell within a bracket of £1,000M at 1980 prices and exchange rates - and so it will.

On this basis the initial capital costs of the D5 missile system will be an extra £390M above the C4 missile system; and we have now decided also to fit the latest propulsion system, the British PWR reactor 2, already under development, and improved sonar systems which together with the larger hull will add about a further £500M to the cost. All this will mean additional work for British industry but within the £1,000M total increase. These additions add about 8½% to the cost of the ^{Trident} programme but they will greatly improve the efficiency and the quietness of the submarines: as a result we are planning to run our submarines for around 7 years between refits and the D5 missile should also have an in-tube life of at least 7 years, a much longer period than for Polaris, so that the availability of the submarines will be greatly increased.

At current prices we will spend on Trident about an average of £500M a year against total defence spending of £14,000M a year; or put another way, after updating the price basis to September 1981 prices (and a lower exchange rate than in September 1980) which adds £1500 million, the total cost over the procurement period will be £7,500M against a total defence budget over 15 years of considerably more than £200,000 million; that is just over 3% of the total defence budget.

This will not sum very close when read out.

I am making available now for the Vote Office a document explaining the Government's decision which also shows on page 8 how the cost of Trident compares with the anticipated capital expenditure on our conventional forces. This information has not been published before.

From this it can be seen that Trident expenditure over the next 15 years is a far smaller amount than our planned expenditure on major conventional capabilities such as anti-submarine warfare or offensive air operations. Assuming 3% growth in the defence budget until 1985/86, many billions of pounds extra in real terms will still be available to spend on our conventional defences in future years.

Mr Speaker - for about 3% of the defence budget we will be modernising the British independent nuclear force that successive governments have considered to be essential for our national security over the past 30 years. Nothing has happened to change that need - rather the reverse.

The number of warheads that the D5 missile will carry, and therefore Trident's striking power, remains wholly a matter of choice for the British Government; on present planning assumptions, our move to D5 will not involve any significant change in the total number of warheads than we originally planned for our C4 force. [A four boat Trident II force will represent about 3/4% of the Soviet strategic missile force, about the same proportion as Polaris when it was first introduced.]

*This paragraph
describes the
size of the
strategic missile
force which
will be carried.*

The Government remains convinced that no other choice but Trident will provide a credible nuclear deterrent into the year 2000 and beyond; no other use of our resources could possibly contribute as much to our security and the deterrent strength of NATO as a whole. To choose a lesser system lacking in credibility to an aggressor; or still more, to abandon unilaterally a capability we have now maintained for three decades would be a futile gesture that would serve to increase rather than diminish the risk of war.

110 11/11/1982



SECRET

22

22
S

SIR ROBERT ARMSTRONG

CABINET: TRIDENT

The Prime Minister is content to proceed on the lines indicated in your minute of 9 March.

A. J. COLES

S

10 March 1982

SECRET

Prime Minister

21

Content to proceed on these
lines.

A.S.C. 9/3

Ref. A07758

PRIME MINISTER

ms

Cabinet: Trident

It would be helpful if Trident could be taken as the first item at the Cabinet on 11 March. It will not be inappropriate at the start of Parliamentary Affairs, since the new Anglo-American agreement is to be announced in a Parliamentary statement by the Secretary of State for Defence that afternoon (which Lord Trenchard will repeat in the House of Lords).

2. You could begin by reminding your colleagues that, though for security reasons no minutes were circulated, they were last week given an oral account of the state of the negotiations by the Secretary of State for Defence; that they authorised him to conclude the agreement on the lines envisaged; and that they agreed to reconfirm this decision formally just before the proposed announcement on 11 March, unless a premature leak in Washington were (as in July 1980) to force us to go public sooner.

3. You could then invite the Secretary of State for Defence to outline the statement he will be making to Parliament, soon after the final Exchange of Letters is effected in Washington at 2.00 pm London time. The Foreign and Commonwealth Secretary may wish to add that arrangements are being made confidentially to inform the French, German and Italian Governments and the North Atlantic Council in the interval between the Cabinet's final decision and the public announcement.

4. This week's discussion is likely to be short, since there will be little to add to what was said last week. But it will be minuted in the normal way, since the matter will no longer be secret by the time the minutes are circulated. Your summing up should therefore record the Cabinet's formal approval of the D5 agreement.

RA

ROBERT ARMSTRONG

9 March 1982

20

MR. COLES

*1002 11.3
h-a.*

cc: Mr. Wright (CO)
Mr. Wade-Gery (CO)
Mr. Gillmore (FCO)
Mr. Piper (MOD)
Mr. Heyhoe LPO (L.7)

TRIDENT ANNOUNCEMENT TIMETABLE

copy N.6 - destroyed.

The main elements of the timetable are as follows:

Wednesday 10 March

Confidential Final Revises of White Paper distributed by FCO, to a maximum of 20 named officials only, in FCO, MOD, Cabinet Office and Downing Street.

Thursday 11 March

- 1000: Cabinet meets, taking relevant item first.
- 1030: Cabinet Office inform Washington, then relevant European posts, of Cabinet decision.
- 1100: Action taken in Paris, Bonn, Rome and NATO.
- 1400: Exchange of letters in Washington, immediately confirmed by telephone to Cabinet Office/Downing Street.
- 1500: Statement and White Paper made available to Opposition Spokesman (? and Liberal/SDP/Other Spokesmen).
- 1530: White Paper laid by FCO with Journal Office at House of Commons, and copies delivered to Vote Office, embargoed for 1600 hours.
- 1550 approx: Secretary of State for Defence rises in the Commons (following Business Questions) and Lord Trenchard in the Lords.
- 1600: White Paper released by Vote Office.

There are at least two gaps to be filled in in this timetable. First, we need to establish when Press Offices in MOD, FCO and Downing Street are to be briefed. Secondly, we need to establish how late the Speaker can be informed of the Statement on Thursday, and/or how late the Statement can be listed on the House of Commons enunciators, if the fact of the Statement is still to be treated as sensitive beyond noon on Thursday. We also need to establish when Mr. Silkin is to be forewarned of the Statement, although he will not get the text until 1500 on the day.

MJD

Red scribble

19

ds

File

TOP SECRET COPY NO. 2 OF 2 COPIES



10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG
CABINET OFFICE

Trident: President Reagan

The Prime Minister has seen Mr. Wade-Gery's minute of 8 March. She has decided to send a written message to President Reagan over the direct link on 11 March. She has also approved the draft annexed to Mr. Wade-Gery's minute.

We shall accordingly arrange despatch of this message at about 9 a.m. London time on 11 March, with a copy to Sir N. Henderson for his information.

9 March 1982

TOP SECRET

9



10 DOWNING STREET

Prime Minister

I do not think you can telephone Mr. Reagan without getting involved in discussion of his visit here - and in present circumstances you will probably not want to do that.

2. Agree to send message as drafted over the direct line on the morning of "Dark"?

A. J. C. $\frac{5}{3}$.

Yes

mt.

Ref: B06437

1. SIR ROBERT ARMSTRONG *RAA*
2. MR COLES

Trident: President Reagan

The Defence Secretary, who is sending a personal message of thanks to Mr Weinberger, has suggested that the Prime Minister may like to do the same to President Reagan. The Foreign and Commonwealth Office agree that this would be useful.

2. There are three possible methods.

(a) She could telephone the President on 11th March, when the formal Exchange of Letters is to be effected and announced. A suitable time to suit both diaries could be agreed between private secretaries.

(b) She could send him a written message over the direct link. I attach a possible draft. If this were despatched at about 9 am London time on 11th March it would be on the President's desk first thing Washington time. A copy should be sent to Sir N Henderson for his information.

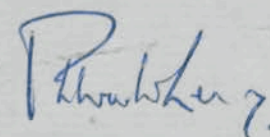
(c) She could send him a similar written message for delivery to the White House by Sir N Henderson, who will be calling there at 9 am Washington time (2 pm London time) on 11th March to effect the formal Exchange. The text of the message would need to be telegraphed to the Embassy on the afternoon (London time) of 10th March.

3. The MOD and FCO recommend (a), which would no doubt be appreciated by the President. But (b) or (c) would clearly be simpler from the Prime Minister's point of view. Of these, the FCO (and no doubt the Embassy) would prefer (c); but (b) might seem marginally more personal.

4. I should be grateful to know what the Prime Minister decides.

I agree with Mr Wade - Gery; and favour (b), unless the Prime Minister particularly wants to do it as he telephoned. It is not really a "telephone" subject. RLA 8/10

8th March 1982



R L WADE-GERY

CONFIDENTIAL

Draft message from the Prime Minister to President Reagan

As we today exchange formal letters on the Trident II(d5) missile as Britain's future strategic deterrent, I should like to send you this personal and confidential note to express my deep appreciation of the concern which you have yourself devoted to this important issue and of the co-operative spirit in which your Administration have conducted the negotiations leading up to the present agreement. I can think of no way in which our two countries could more powerfully have illustrated our common resolution in defence of freedom and our unique ability to reinforce each other's efforts.



10 DOWNING STREET

From the Private Secretary

MR. WADE-GERY

Trident: exchange of letters

Thank you for your minute of 5 March.

I now attach the letter to the United States President signed by the Prime Minister.

A. J. COLES

8 March 1982

TOP SECRET

52

TOP SECRET

File
Copy No. 3 of 3 copies

16



MR. R.L. WADE-GERY
CABINET OFFICE

Trident: Cabinet

Thank you for your minute of 5 March.

The Prime Minister agrees that it will not be necessary to submit a paper to Cabinet on 11 March.

I am sending a copy of this minute to David Wright (Cabinet Office).

A J COLES

8 March 1982

A

TOP SECRET

Ref: B06428

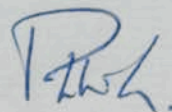
MR COLES

cc Sir Robert Armstrong
Mr FacerTrident: Exchange of Letters

I attach the draft of the Prime Minister's letter to President Reagan, as approved at MISC 7 yesterday. The same draft is at present with the White House for final approval, which they have promised to let us have in the course of today (their time). Once this is received (see below), I should be grateful if you could prepare the top copy in final form (dated 11th March and unclassified); invite the Prime Minister to sign it; and let me have it (under top secret cover) by lunchtime on 8th March, so that I can send it to Sir N Henderson in the bag that afternoon, which will arrive in time for him to effect the actual exchange at about 9 am (2 pm London time) on 11th March. Before he does so we will have informed him that the Cabinet have formally reconfirmed their approval of the agreement; and he will then be in a position to let us know that the exchange has been effected, before the simultaneous public announcements are made at 3.30 pm London time (10.30 am Washington time).

2. If American reconfirmation of the text is received before close of play (our time) today, Mr Facer or I will let you know. If it is received later than that, the DIO will inform the No. 10 Duty Clerk and ask him to let you know urgently. If the Americans suggest any changes, the DIO will consult me before contacting No. 10; if they are unimportant I will simply ask him to ask No. 10 to incorporate them, but if they are substantive I will consult the Ministry of Defence and Foreign and Commonwealth Office (and if necessary the White House) before letting you have a recommendation on their acceptability.

3. I have asked the Ministry of Defence similarly to let me have the signed top copy of the Defence Secretary's 11th March letter to Mr Weinberger.



R L WADE-GERY

5th March 1982

DRAFT

LETTER A

To: The President, The White House, Washington, DC

From: The Prime Minister

1. I wrote to your predecessor on 10 July 1980 to ask whether the United States Government would be ready to supply Trident I missiles equipment and supporting services to the United Kingdom on a similar basis to that on which the Polaris missiles were supplied under the Polaris Sales Agreement of 6 April 1963. President Carter replied on 14 July confirming that the United States Government were prepared to do so, subject to and in accordance with applicable United States law and procedures.
2. In the light of decisions taken by the United States Government in 1981 to accelerate their own programme to procure Trident II missiles, and to phase out the Trident I programme earlier than had hitherto been intended, the United Kingdom Government have carried out a review of their nuclear deterrent programme. In the light of this review, I am now writing to ask whether in place of Trident I missiles the United States Government would be ready to supply Trident II missiles, equipment and supporting services on a continuing basis and in a manner generally similar to that in which Polaris was supplied. The United Kingdom Government would wish to purchase these missiles complete with multiple, independently targettable re-entry vehicles but without the warheads themselves. I propose that, as in the past, close co-ordination should be maintained between the executive agencies of the two Governments in order to assure compatibility of equipment.
3. Like the Polaris force, and consistently with the agreement reached in 1980 on the supply of Trident I missiles, the United Kingdom Trident II force will be assigned to the North Atlantic Treaty Organisation; and except where the United Kingdom Government may decide that supreme national interests are at stake, this successor force will be used for the purposes of international defence of the Western alliance in all circumstances. It is my understanding that co-operation in the modernisation of the United Kingdom nuclear deterrent in the manner proposed would be consistent with the present and prospective international obligations of both parties.

TOP SECRET

4. I would like to assure you that the United Kingdom Government remain wholly committed to the strengthening of the Alliance's conventional forces. The United Kingdom Government have in recent years substantially increased their defence spending and further increases are planned for the future in order to sustain the United Kingdom's all-round contribution to allied deterrence and defence. The economies made possible by the United States Government's co-operation with respect to the supply of the Trident I missile system will be used in order to reinforce the United Kingdom Government's continuing efforts to upgrade their conventional forces.

5. If the United States Government are prepared to meet this request, I hope that as the next step you will be prepared to receive technical and financial missions to pursue these matters using the framework of the Polaris Sales Agreement where appropriate.

WBYR *0NXLLP

FOCA

WONCAB 001/06

OO CAB OFFICE

GR 130

DE D I P
TOP SECRET

FM WASHINGTON 052230Z MAR 82
TO IMMEDIATE CABINET OFFICE
TELEGRAM NUMBER MISC 052230Z OF 5 MARCH

FOLLOWING FOR WADE GERY (CABINET OFFICE)
YOUR TELNO MISC 72 OF 5 MARCH: TRIDENT

1. ARRANGEMENTS HAVE BEEN MADE FOR THE AMBASSADOR TO CALL ON MCFARLANE AT 0900 HOURS (OUR TIME) ON 11 MARCH. IT CAN BE TAKEN AS CERTAIN THAT THE EXCHANGE WILL BE EFFECTED THEN (PROVIDED OF COURSE WE HAVE RECEIVED THE DOCUMENTS AS PLANNED), THOUGH WE WILL CONFIRM BY TELEPHONE AND FLASH TELEGRAM.

2. THE WHITE HOUSE ARE SUGGESTING SOME MINOR AMENDMENTS TO THE TEXT WHICH WILL NEED TO BE INCORPORATED BEFORE THE LETTERS LEAVE LONDON ON 8 MARCH.

HENDERSON

NNNN

060227Z

CABINET OFFICE
B...9920/6...
- 8 MAR 1982
FILING INSTRUCTIONS
FILE No.

Copys to

- 2 Sir R. Quinlan / Mr. Faxon / Entco.
- 3 Mr. Gillmore, Fro
- 4 Mr. Hastie Smith (700)
- 5 Mr. Cotes, No 10
- ✓ 6 Mr. Patten, No 10.

AWG
8/3/82

which only affect
Mr. Weinberg's letter

AWG 6

Mr. Paterson



CABINET OFFICE

With the compliments of

Mr. Wade-Gary

70 Whitehall, London SW1A 2AS

Telephone 01 233

CABINET OFFICE
B.06433/2
- 5 MAR 1982
FILING INSTRUCTIONS
FILE No:

PP WASHINGTON

GRS 200
D E D I P
T O P S E C R E T
FM CABINET OFFICE 051555Z MAR 82
TO PRIORITY WASHINGTON
TELEGRAM NUMBER MISC 072 OF 5 MARCH

FOLLOWING FOR RENWICK FROM WADE-GERY.

OUR TELCON OF 4 MARCH: TRIDENT EXCHANGES OF LETTERS.

I WILL BE SENDING SIGNED TOP COPIES OF THE PRIME MINISTER'S LETTER TO THE PRESIDENT AND OF MR NOTT'S REPLY TO MR WEINBERGER (BOTH DATED 11 MARCH AND UNCLASSIFIED) UNDER TOP SECRET COVER TO THE AMBASSADOR IN BAG OF 8 MARCH (DUE IN WASHINGTON ON EVENING OF 9 MARCH).

2. YOU WILL BE INFORMED BY IMMEDIATE TELEGRAM AS SOON AS CABINET HAVE FORMALLY ENDORSED THE AGREEMENT, WHICH THEY ARE EXPECTED TO HAVE DONE BY 10.30 HOURS OUR TIME ON 11 MARCH. THIS TELEGRAM WILL BE MARKED DESKBY 0730 YOUR TIME.

3. FOR TECHNICAL REASONS, CONNECTED WITH THE LAYING IN PARLIAMENT OF THE WHITE PAPER CONTAINING THESE EXCHANGES, WE SHALL NEED TO KNOW BY 0930 YOUR TIME THAT THEY HAVE ACTUALLY BEEN EFFECTED.

WOULD IT BE POSSIBLE FOR YOU TO MEET THIS TIMETABLE BY EFFECTING THEM AT EG 0900 AND IMMEDIATELY THEREAFTER BOTH TELEPHONING US HERE AND REPORTING BY FLASH TELEGRAM? TELEPHONE CALL SHOULD BE TO ME, OR TO PATTISON (NO. 10), OR TO THE NO. 10 DUTY CLERK.

NNNN

Distribution

- Mr Coles, No.10 (Copy 1) - *decoyed 11/3.*
- Mr Pattison, No.10 (Copy 2)
- Mr Gillmore, FCO (Copy 3)
- Mr Hastie-Smith, MOD (Copy 4)
- Sir R Armstrong (Copy 5)
- Mr Wade-Gery (Copy 6)
- Mr Facer (Copy 7)

Ref: B06427

Prime Minister



Agree there should be no paper

Agreed
no. for cabinet?

A.F.C. 5/3

- 1. SIR ROBERT ARMSTRONG
- 2. MR COLES

RAA

Trident: Cabinet

Under the original plan, when the Trident decision would have come to Cabinet on 11th March unheralded (except for the brief mention on 21st January), the intention was that the Defence Secretary should prepare a short paper to focus the discussion, which was to have been circulated only within the Cabinet Room. Now that a provisional decision has been taken at Cabinet yesterday, on the basis of a very effective oral presentation, only formal reconfirmation is needed on 11th March. In these circumstances, a paper hardly seems necessary. If the Prime Minister agrees, I will so inform the Defence Secretary's office.

R Wade-Gery

R L WADE-GERY

5th March 1982

| agree.

RAA

S. iii. 82

- 5 MAR 1982



11 12 1
10 2
9 3
8 4
7 6 5

SECRET

cmd 7979

①
//



Foreign and Commonwealth Office

London SW1A 2AH

4 March 1982

M Pattison Esq
10 Downing Street
SW1

Prime Minister

Content? I understand that
this follows the precedent of last time.
A.F.C. $\frac{4}{3}$

Dear Mike,

Yes no

PUBLICATION OF AN EXCHANGE OF LETTERS BETWEEN THE PRIME MINISTER
AND THE PRESIDENT OF THE UNITED STATES ABOUT THE BRITISH STRATEGIC
NUCLEAR FORCE

We propose to publish on 11 March a Command Paper (Cmd 8517) containing the Texts of Letters exchanged between the Prime Minister and the President of the United States and between the Secretary of State for Defence and the United States Secretary of Defense on the subject of the British Strategic Nuclear Force. I understand that Mr John Coles at No 10 is fully conversant with this subject and that the Command Paper will be presented to Parliament by the Prime Minister. I should be grateful if you, and those to whom I am copying this letter, would kindly confirm (if possible by return) that there is no objection to publication.

Yours ever,
Brian

B E Bowley
Parliamentary Clerk

cc: D C R Heyhoe Esq
Office of the Lord President of the Council
and Leader of the House
70 Whitehall
LONDON
SW1

P Moore Esq
Government Chief Whips Office
12 Downing Street
LONDON
SW1

SECRET

4 MAR 1982



Defence 10

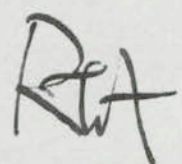
PRIME MINISTER

Cabinet: Trident

You have decided that the Secretary of State for Defence should brief the Cabinet orally tomorrow on the TridentD5 decision which they will be asked to take on 11th March. You could ask him to do this at the end of the Foreign Affairs item.

2. After he has spoken you will need to emphasise the extreme importance of no hint being given to the media that the Cabinet have discussed the subject, before the announcement on the afternoon of 11th March.

3. Nominally, the Cabinet's final decision on D5 will be taken on 11th March rather than tomorrow. In practice, however, an 11th March announcement means that the matter will become irrevocable when the Americans start briefing Congressional leaders in confidence early next week. You will therefore need to sum up tomorrow's discussion in such a way that a clear D5 decision can be recorded, subject only to formal reconfirmation on 11th March. The Secretary of State for Defence is aware of this point.



Robert Armstrong

3rd March 1982

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.

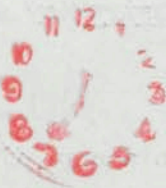


ROBERT ARMSTRONG

3rd March 1982



- 3 MAR 1982



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

Handwritten signature or initials in the center of the page.

Faint text at the bottom of the page, possibly a footer or page number.



file
Copy no .3. of

3 copies

VB

~~SECRET~~
8

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

Trident: Announcement Date

Thank you for your minute of 1 March. As I informed your office earlier today, the Prime Minister has reconsidered this matter and has decided that she would like Cabinet to be informed orally this week of the developments since its last discussion on Trident. She would then like Cabinet to take a formal decision on the matter on 11 March and an announcement to be made later the same day.

I am sending a copy of this minute to David Omand (Ministry of Defence).

C. A. WHITMORE

3 March 1982

TOP SECRET

Prime Minister

A.J.C. 4/3.

MO 18/1/1

PRIME MINISTERCHEVALINE

1. MISC 7 will be meeting on Thursday 4th March. I felt that it would be useful if I were to circulate a note, as background, on how Chevaline fits in with our plans.

2. As you know, we undertook a series of Chevaline missile firings from HMS RENOWN at sea off Cape Canaveral between 30th January and 8th February.

3. The series was highly successful and completed the Chevaline development trials programme. Preliminary analysis of each of the four trials indicates that the flight performance of the missile and its payload was entirely satisfactory. The series culminated in a very successful long range (1700 miles) demonstration of a full tactical (operational) missile less its warheads. These successes have confirmed the belief that the earlier trials failures with Chevaline were not caused by any fundamental design faults. Steps were, however, taken to review and tighten up manufacturing and assembly standards, and introduce some hardware modifications. All this reflects great credit on all those associated with the Project who have worked hard to achieve this success.

4. Full analysis of the results of the trials will take some weeks to complete. But, on the basis of the data we have already, work is now going ahead to prepare recommendations that Chevaline should be handed over to the Royal Navy for initial deployment and formal acceptance firings. Tactical missiles are already in preparation; and it is hoped therefore that the first



operational deployment of Chevaline will take place this summer. This assumes that the missile processing will be free of any labour disputes which, of course, cannot be guaranteed and which, if they arose, could place a question mark over our ability to meet the very tight processing programme. On present plans continuous deployment would be achieved in summer 1983 following formal acceptance firings in Spring 1983. Our ability to penetrate the present Moscow ABM system, with only a single submarine deployed, will then be assured.

5. The successful completion of the Chevaline development trials programme has led some commentators to raise again the question of whether it is feasible to run on the Polaris/Chevaline system rather than go for Trident. The main arguments against this were set out in the Open Government Document which accompanied the original Trident decision in July 1980. Our existing Polaris submarines are ageing with all the attendant maintenance and operational problems which these will pose for us in the years ahead. As we have discussed during our consideration of my recommendations for the adoption of Trident II D5, the best judgement is that for these reasons we must begin to replace our Polaris submarines in the first half of the 1990s. The arguments against running on the Polaris/Chevaline system in new submarines are also cogent. It would extend the period for which we would have no commonality with US deployed submarine ballistic missile systems. The substantial cost and operational problems of "uniqueness" have already been well rehearsed in our consideration of Trident IID5. For Polaris they would be very considerable given, not least, that the technologies involved are so old, and the US manufacturing capabilities have long been dismantled. And finally, Chevaline would only continue to provide a credible deterrent beyond the mid-1990s if improvements in Soviet ABM defences proved unexpectedly modest.

6. In short, while the successful development of Chevaline makes a key contribution to maintaining the credibility of our

SECRET

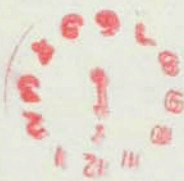


deterrent into the 1990s, the case for Trident is unchanged.

7. I am sending copies of this minute to the members of MISC 7, and to Sir Robert Armstrong.

Jw.

Ministry of Defence
2nd March 1982



31 MAR 1982

GOVERNMENT

5



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~930 7022~~ 218 2111/3

MO 18/1/1

2nd March 1982

MF.
/

Prime Minister

A.S.C. $\frac{4}{3}$

Dear Sir,

TRIDENT

In his paper MISC7(82)1, circulated earlier today, the Secretary of State for Defence referred to an Open Government Document which he was preparing in order to present the Government's case for the purchase of the D5 missile system, should this be the decision. I attach a copy of the draft Open Government Document which it is the intention would be printed by the Ministry of Defence in the same format as the OGD on the future UK strategic nuclear force published by the then Defence Secretary in July 1980.

I am copying this letter and enclosure to the Private Secretaries to the members of MISC7 and to Robert Wade-Gery and David Wright (Cabinet Office).

Yours ever,
David (Dandy)

(D B OMAND)

C A Whitmore Esq

SECRET

Draft

THE UNITED KINGDOM TRIDENT PROGRAMME

On 15 July 1980 my predecessor announced the Government's choice of the Trident submarine-launched ballistic missile system to replace the United Kingdom's current Polaris-equipped strategic deterrent force. He also published Defence Open Government Document 80/23 "The Future United Kingdom Strategic Nuclear Deterrent Force" which set out in detail the reasons which led the Government to the conclusion that the Trident system was the right choice for Britain. It is worthwhile repeating here the main message of that document.

The basic question which it asked was whether the possession of an independent and invulnerable strategic deterrent by this country would make an attack, whether conventional or nuclear, by the Soviet Union on us and our NATO allies more or less likely. The Government's view is that there is no doubt about the answer, and five successive Governments have taken the same view. Deterrence, and preventing war, is a matter of showing that the risks involved in starting a war are seen by a potential aggressor as far greater than any possible gains he could hope to achieve. The striking power of our nuclear forces provides the risk of appalling damage to him - more damage than we believe any rational being could regard as acceptable as the price to be paid for a military adventure against the European members of NATO.

SECRET

SECRET
SECRET

In saying this, we do not in any sense mean that the United Kingdom deterrent is in some way a substitute for the American nuclear guarantee; the United States has consistently shown by its maintenance of strong conventional and nuclear forces in Europe that it sees its own security as indissolubly linked to the security of our continent. The integrity and vital importance of that commitment are not in doubt. But, and it is worth saying again, deterrence is a matter of the perception of the potential aggressor and the presence of an independent deterrent under the absolute control of the British Prime Minister greatly multiplies the risk to any potential aggressor of starting a war in Europe. Those who argue that the expenditure on Trident would be better devoted to strengthening our conventional forces must consider whether a future Soviet leadership are more likely to be deterred by an invulnerable second strike submarine launched ballistic missile force or, for example, by two extra armoured divisions with three hundred additional tanks (even if this were a sensible alternative) given that the Warsaw Pact already outnumbered NATO in tanks by some 30,000.

The Government's decision was endorsed by the House of Commons on 3 March 1981. The Open Government document, and evidence given by my officials and myself to the Defence Committee of the House of Commons, made it clear that a number of details of the design of the new submarines which would carry the Trident missiles remained to be settled.

2
SECRET
SECRET

On 11 March 1982, the Government published⁽¹⁾ the texts of letters exchanged between the Prime Minister and President Reagan providing for the United Kingdom to buy from the United States the Trident II (D5) missile system, rather than the Trident I (C4) system as had been envisaged under our previous plans. This document explains that decision, and our other related decisions on the Trident submarine design. Taken together, our decisions mean that our replacement strategic deterrent force will spend more time at sea and less in the dockyard, be less vulnerable to detection by our enemies, and be significantly easier to maintain.

The Government has already shown in a number of ways that it attaches great importance to helping wider understanding and more informed public debate of major defence issues, particularly in the field of our nuclear forces. This memorandum is a further step in that endeavour; the Government believes it shows clearly why the decisions it has reached on the configuration of the United Kingdom Trident submarines, and the Trident II missile system, are the most cost-effective way of maintaining well into the next century an effective independent strategic nuclear deterrent force, which is the single most important contribution made by our defence capabilities to the preservation of peace.

JOHN NOTT

Ministry of Defence

Defence Open Government Document 82/1

(1) Cmd ...

I - THE BACKGROUND

1. The Government's decision to replace our existing Polaris submarine-launched ballistic missile nuclear deterrent force with the Trident I (C4) missile deployed in a new generation of British-built submarines was announced on 15 July 1980. The policy background to the decision was explained in Defence Open Government Document 80/23, published on the same date.

2. That document made clear that before detailed decisions were taken on the design of the submarines further studies and discussions with the United States authorities would be required. In evidence to the Defence Committee of the House of Commons⁽¹⁾, the Defence Secretary and his officials explained that, so far as the new generation of strategic missile-carrying submarines (SSBNs) was concerned, the principal decisions which remained to be taken related to the size of the hull, both in terms of the diameter of the boats and the number of missile tubes to be installed in each, the nuclear propulsion plant to be adopted and the design of the "tactical weapons system". This latter is the complex of sonars and other defensive aids which make a major contribution to ensuring that the submarines will be able to remain undetected, and hence invulnerable to pre-emptive attack, while they are maintaining their deterrent patrol. The studies have now been completed.

3. The second development since the Government's announcement of its plans for the Trident force in July 1980 has been the decision

(1) Published as Minutes of Evidence taken by the Committee in its Fourth Report 1980/81 (HC 36) on Strategic Nuclear Weapons Policy.

~~SECRET~~

of the United States Government, announced in October 1981, to develop the Trident II (D5) submarine-launched ballistic missile with a view to its deployment by the United States Navy from 1989. The final United States decision on the D5 programme had previously not been expected until 1983 at the earliest. And their announcement, while at first sight introducing an additional complicating factor to be taken into account in our studies, nevertheless was very welcome since it meant that the development of our plans for the United Kingdom Trident force could proceed against the background of firm knowledge of the United States' long term programme for sea-based strategic missiles.

~~SECRET~~

II - THE DESIGN OF THE SUBMARINES

4. Broadly speaking, nuclear-powered strategic ballistic missile carrying submarines (SSBNs) can be divided into three sections:

The Front Section, which includes the operations complex, accommodation, galley, offices and storerooms and also the tactical weapons system;

The Centre Section, which contains the strategic missiles in their tubes;

The After Section, which contains the propulsion system of the submarine.

This is shown in the diagram in Figure 1.

5. In reaching its conclusions on the final configuration of our submarines, the Government had to make technically complex decisions about the design of each of these sections.

(a) The Front Section

6. The decisions to be taken on the front section of the submarine involved the tactical weapon system - that is, principally, the boat's sonars. In order to meet the standards of invulnerability required from a strategic nuclear deterrent, the submarines must be able to detect any potentially hostile surface ship or submarine at very long range in order to be able to take the necessary evasive action in good time. The assumption made at the time of the July 1980 announcement was that our new generation of SSBNs should be fitted with the tactical weapons system being

installed in the nuclear-powered hunter-killer submarines (SSNs) which we are now building. Further studies have shown, however that while this current system (which is based on technology 10 to 15 years old) would, with some modification, be capable of countering adequately the threat from potentially hostile ships and submarines in the 1990s, it would allow little scope for improvement in order to meet advances in the threat which might occur later in this century or early in the next. It has therefore been decided that improved sonars being developed for later classes of SSN should also be adopted for our new strategic submarines. These newer equipments will provide a significantly improved defensive capability for the submarines, and one which will have the potential for further improvement to counter increased Soviet capabilities during the life of the force. As well as the improved detection aids, each of the submarines will have torpedo tubes for self defence.

(b) The After Section

7. The main equipments in the after section of the submarine are the components of the propulsion system. This consists of a nuclear pressurised water reactor (PWR) to generate steam to drive the turbines which provide the boat's motive and electrical power. We had originally planned to fit the new generation of SSBNs with the pressurised water reactor (PWR 1) which is being installed in the SSNs we are building now.

8. But we have under development a new reactor and propulsion system - PWR 2 - to power the next class of our SSNs. This

development programme is designed primarily to give longer reactor core life (that is, the fuel in the reactor will require replacement less frequently), reduced operating noise as compared with the current system, increased power and even better nuclear safety than existing reactors. The first two of these factors are particularly important for the maintenance of a continuous and invulnerable deterrent. The longer core life of PWR2 would allow the period between refits of the submarines to be lengthened considerably, thereby increasing significantly the operational availability of the boats and offering the possibility of a reduction in the total number of refits. It would also provide a substantial reduction in the through-life costs of the force. Boats equipped with the PWR2 system would also be able to operate much more quietly than current generation submarines, and this increased quietness would not only make them more difficult to detect, but also, by reducing the background noise against which their sonars have to operate, make the boats' own detection systems more effective. The degree of invulnerability of the boats would therefore be improved in two ways by the adoption of PWR2; this would be particularly valuable in the context of possible improvement in Soviet anti-submarine capabilities during the life of the force.

9. In the light of all these advantages that boats powered by PWR2 would have as compared to those powered by current generation propulsion systems, the Government has therefore decided that it makes sense for our replacement SSBNs to be equipped with the PWR2 system. Given the increase in operational availability of our boats which this decision will bring about, we have concluded that

it would no longer be sensible to consider having a five-boat force, despite the increased insurance against accidental loss or damage which this would provide. We are therefore planning on having a four-boat force.

(c) The Centre Section

10. The final decisions to be made on the submarine concerned the centre section of the hull, which contains the missile tubes and control systems. The diameter of the submarine hull required depends critically upon the choice of missile that should be carried, both initially and at any later stage in the life of the force. Its length depends on the number of missiles each submarine is to carry.

11. The feasibility studies which we have undertaken in the United States since July 1980 (and which were not possible before the Trident decision had been announced) have been of great help in reaching decisions on the diameter of the submarines. The original Ministry of Defence studies had pointed to the conclusion that the United Kingdom Trident force should be deployed in a new class of submarine, whose missile compartment would be based on that of the US 640-class submarine which currently deploys their Poseidon and Trident I (C4) missiles. The subsequent feasibility studies have shown that the straight-forward incorporation of the US 640-class missile compartment into our new submarines would not in fact be practicable because much of the equipment associated with this design of compartment will soon be out of production. We should either have to re-design the 640-class missile compartment to

accept "OHIO class" equipment (the OHIO being the first of the new US class of larger submarines designed to carry both versions of the Trident weapon system), and this would involve a risky and expensive United Kingdom programme, or ourselves adopt a missile compartment based on the OHIO design. A comparison of our present 'Resolution' class Polaris boats, 640-class boats and OHIO class boats is shown in Figure 2.

12. Choice of the Trident II missile system would make it essential to opt for the larger diameter hull based on the OHIO class. But even if we remained with Trident I it would still make sense to opt for the larger diameter hull in order to retain the flexibility to switch, if necessary at some later stage, to a later missile, whether it be Trident II or some successor system. To adopt the 640-class hull would mean that we should be constrained to run on our strategic force with the Trident I missile for at least 20 years after the system had been withdrawn from service with the United States Navy. The logistic and other problems which such a course would entail would be enormous, and extremely expensive to resolve (this dimension of the problem is explained in more detail in Section III). The Government has therefore decided that the new United Kingdom SSBNs should be built with a missile compartment diameter based upon that of the United States OHIO class submarines.

13. The other question is the number of missile tubes the submarine could carry and hence their length. As Defence Open Government Document 80/23 noted, judgements as to the optimum number of missiles which each submarine should be equipped to carry involved compromise between different factors. Amongst these, the fact that we shall

~~SECRET~~

only be able to guarantee one boat on patrol all the time means that we must ensure that the missiles carried by that boat are in themselves sufficient to pose a credible deterrent. Given that missile tubes are arranged in groups of four, our choice was between twelve and sixteen tubes (the United States OHIO class submarines have 24, but we do not believe we need boats of this size). Clearly, the final choice of missile to be deployed is a major factor in deciding upon the number of missiles to be carried, and this aspect of the submarine's design is therefore considered in more detail in the next section of this document.

~~SECRET~~

III - THE CHOICE OF MISSILE

14. The background to our decision that a ballistic missile was the right choice for the Polaris replacement was explained in considerable detail in Defence Open Government Document 80/23. But there has been increasing comment to the effect that a solution based upon cruise missiles would in some way be cheaper than Trident, and this has been heightened by the United States' decision to deploy sea launched cruise missiles in both nuclear and conventional roles on its submarines.

15. It is important to remember that the United States' programme for nuclear-armed submarine-launched cruise missiles does not form part of their main strategic force programmes. Their cruise missiles are intended to augment, rather than replace, their submarine launched Trident missiles. Nevertheless, on the face of it, cruise missiles might indeed appear to provide a cheaper solution than Trident for the United Kingdom. However closer examination shows that this is not the case.

16. Leaving aside operational problems involved with cruise missiles, such as their comparatively short range (which means the submarines have less sea-room in which to hide), the fact remains that each cruise missile carries only one warhead, as compared with the multiple warheads of Trident. For a given striking power, therefore, one must deploy very many more cruise than ballistic missiles. And in order to deploy them continuously in submarines (so as to provide an invulnerable deterrent) one must therefore

have many more submarines. Given the high cost of the submarines themselves (the largest single element in the programme) this means that a cruise missile force would both cost more to build than a ballistic missile force and also be significantly more expensive to run. The alternative of installing very small numbers of cruise missiles on our existing hunter-killer submarines (SSNs) also makes little sense; apart from the doubtful deterrent value of such a small force, the role of the SSNs as our most powerful anti-submarine warfare (ASW) system is totally incompatible with that required of a strategic deterrent force, both in deployment area and nature of operations. To hold back our SSN force for a strategic role would effectively make it impossible for them to fulfil their crucially important ASW function. On grounds of cost alone, therefore, we remain convinced that the Trident solution is the best choice for the United Kingdom.

17. The rationale behind our decision that our replacement ballistic missile should be Trident I (C4), which has been in service with the United States Navy since 1979 was also set out in our Open Government Document. In essence, this was that C4 was a tried and tested system already in service, whose long range and multiple independently-targettable re-entry vehicles (MIRVs) would give excellent long-term insurance against advances in Soviet anti-ballistic missile defences. In particular, the Open Government Document noted (paragraph 51) "The Trident system is likely to remain in United States service for many years to come, during which all the economies of commonality will be available to us". It also

noted (paragraph 53) that a concept for a larger submarine-launched ballistic missile known as Trident II (D5) was being studied in the United States, although the US Government was then not expected to decide for another two or three years whether to proceed with the D5 programme. In these circumstances, the only option available to the United Kingdom was to plan on the basis of the adoption of the C4 missile.

18. In the event, the United States Administration decided to advance the timing of the Trident II programme. On 2 October 1981, President Reagan announced his decision to proceed to full development of the Trident D5 missile as part of a package of measures designed to modernise the entire range of United States' strategic nuclear forces. It was planned that the first deployments of the new missile by the US Navy would take place in 1989. President Reagan has also made it clear to us that he would be willing to make the D5 system available to the United Kingdom should we decide that we wished to adopt it, rather than the C4, for our next generation strategic deterrent.

19. The Trident D5 missile system will be an evolutionary development of the existing Trident C4 system consisting of a multi-stage solid fuel ballistic missile with multiple independently-targettable re-entry vehicles. It will be significantly larger than the C4 missile and will have the option either to carry the same payload a much greater distance and with greater accuracy or to carry its maximum payload to a range approximately the same as that of Trident C4.

20. While the advancement of the United States' decision introduced a further complicating factor into our studies on the final configuration of our Trident programme, it was nevertheless welcome, since it enabled our planning to be carried out against a background of certainty as to American intentions and in the knowledge that the D5 system would be made available to us should we require it.

21. The United States Government has not announced the date by which it expects to have replaced all its current SSBNs by the OHIO class submarines deploying D5, but it has made clear that it expects to continue ordering OHIO class submarines at the rate of one a year at least until 1987. Taken with the 9 already in the programme, this indicates that the United States Navy will be likely to withdraw their last Trident C4 missiles from service in the latter part of the next decade, only a few years after, on current plans, the system would have been introduced into UK service. This would mean that shortly after we had introduced the first of our Trident boats into service (and probably before we had completed the introduction of the force), we would be faced with the prospect of being the sole operators of C4. This position of "uniqueness" gives rise to a number of logistic, operational and financial penalties which are discussed below.

Penalties of Uniqueness

22. The penalties resulting from uniqueness stem in the main from two causes. The first is that of logistic support of the weapon

system, where we would increasingly have to make judgements on our own future programme without the benefit of detailed US advice based on their own continuing experience from deploying C4. The second results, paradoxically, from the very high priority that the US give to their strategic nuclear forces. While we retain commonality we get all the benefits that accrue from that priority; if we became unique we would only get such services which the Americans could fit into their programme and we could afford to pay for.

23. Age-related problems occur in Polaris and are bound to occur in Trident as in any other weapon system, but the wide range of advanced technology involved means that they can be numerous and varied. Their significance is exacerbated by the high reliability required from the strategic deterrent force - the system must be available for launch at short notice for months at a time over a period exceeding a quarter of a century. No other weapon system has to meet such a demanding requirement.

24. So far as Polaris is concerned no problem resulting from uniqueness has yet proved impossible of solution albeit at a price - and the recent decision to re-motor the missiles shows how high such a price can be. But there is a long way to go and, by the mid-1990s we will be dealing with a system designed 40 years before, with the components extremely difficult to reproduce and with many of the original manufacturers either out of business or with no interest in re-involvement in technology now obsolete. The US have ceased their comprehensive programme of operational test

firings, and we can only afford to fund a very limited series of firings. It was missile motor failures shown up in the US test programme which led directly to our decision to re-motor Polaris. It is because we are becoming unique that we have had to take that decision alone and will have to fund the entire cost of the programme; we could otherwise have depended on the US need to maintain the reliability of its own inventory both for the assessments of the technical problems and for a major share in the funding of the re-motoring programme.

25. The US first deployed Trident C4 in 1979. If we were to purchase it with a view to deployment in our new SSBN force we would be many years further behind their Trident programme than we were with Polaris. Current operational test firings show the system is very reliable and experience indicates that it should remain so into the 1990s. But as a UK unique system its ability to remain so for a further 25 years or more without remotoring or other deep refurbishment must be questionable. Furthermore, with the pace of modern technology it would seem to be imprudent to exclude the possibility of a need to improve the Trident C4 missile in the 2000s to counter improved Soviet capabilities. The costs and technical risks associated with such programmes to the UK, acting alone, are impossible to quantify so far ahead, but would be high by any standards. Again our experience of the Chevaline system shows just how expensive the resolution of problems in this field by programmes unique to the UK can be.

26. If the United Kingdom were to adopt the Trident D5 rather than the Trident C4 missile for its next generation SSBNs, we would expect to retain commonality with the United States' system throughout its projected service life. This would give us continued assurance of weapon system reliability without the large investment programme which would be required to provide an equivalent degree of assurance with a weapon system unique to the United Kingdom. We should also benefit from significantly reduced operating costs as compared with those of a UK unique system.

27. The estimated costs of a Trident D5 programme are set out in detail in Section IV. But the additional capital cost of adopting the D5 missile compared with C4 is assessed at September 1980 prices as some £390M, or about 7 per cent of the total programme. It is difficult to assess precisely the likely cost penalties resulting from problems of uniqueness if we were to remain with C4, particularly since the timescale involved stretches over 30 years or more. But as indicated in paragraph 22 experience with Polaris has underlined the probability that, if we opted for C4 we should need to undertake some sort of mid-life improvement programme. With a smaller-diameter submarine this could only be a UK-unique programme; with an OHIO-class hull initially equipped with C4 a switch to D5 at a later date would be an alternative possibility. But even in the latter case the total programme costs over the life of the force would be much greater than those of an

initial deployment of D5, not least because two complete sets of missiles would have to be installed in the submarines over the lifetime of the force.

28. On the basis of cost-effectiveness, therefore, the Government believes that it is now sensible to adopt the Trident D5 system for our next generation strategic nuclear deterrent. By doing so, we shall avoid the penalties which uniqueness brings; as a corollary we shall obtain all the benefits that commonality with the United States will provide.

The Number of Missile Tubes

29. As was noted in paragraph 13, it was not possible to reach a judgement on the number of missile tubes to be fitted in each submarine until a decision had been reached on the missile to be carried. As was made clear to the House of Commons Defence Committee, we believe that the Trident C4 missile carried in submarines with 16 tubes would be adequate for our deterrence needs. Since the design of the D5 missile should give it the ability to carry up to 14 warheads compared with the maximum of eight on C4, a similar deterrent capability to the originally planned C4 force could be achieved by deploying a smaller number of D5 missiles at sea. We therefore considered whether we should build the new submarines with only twelve missile tubes rather than 16 (a design with less than 12 tubes is not practicable).

30. Such a reduction in the size of the submarines would save about £80M on the costs of the Trident submarine programme as a whole. Although a large enough sum in itself, this is a relatively

small proportion of the total cost of the force (see Section IV). Moreover the larger number of tubes would provide flexibility to cope with any possible improvements in Soviet anti-ballistic missile defences throughout the life of the force. For this reason, and bearing in mind the relatively small cost premium involved the Government has decided to build the new generation of submarines with 16 tubes. However, this should not necessarily be taken to imply that we are currently planning to deploy the maximum number of missiles and warheads that will theoretically be possible as a result of this decision. While it has been the practice of successive Governments not to comment on the number of missiles and warheads carried by our SSBNs at any given time, in view of the implications for both our deterrent requirements and the cost of the programme, we feel it right to make clear that the move to Trident D5 will not involve any significant change in the planned total number of warheads associated with our strategic deterrent force in comparison with the original intentions for a force based on the C4 missile system.

Wider Implications of the Choice of Trident D5

31. As noted earlier, the Trident D5 missile will be more accurate than Trident C4, and this increased accuracy gives D5 the ability to attack land-based missiles in hardened silos. It has therefore been characterised by some as a 'first strike' weapon - that is, a weapon which is designed to be able to destroy an opponent's land-based strategic missiles, even inside their hardened silos, before he has a chance to fire them. The Government wishes

to make it absolutely clear that the increased accuracy of the Trident D5 system played no part in its decision to adopt the more modern system. Indeed, even if a United Kingdom Government had any thoughts of a first strike capability, simple arithmetic demonstrates that it is totally beyond its grasp. The fire power of the UK force with maximum D5 payloads would be sufficient to target only a very small proportion of the Soviet ICBM silos. As has been said, Trident C4 would be sufficient for our deterrent needs. It is important to be clear about this, since the reasons behind the United Kingdom and United States decisions to deploy D5 are very different. The reasons for our choice are those set out in this document; essentially they hinge on the retention of commonality with the United States Navy. The purpose of the United States in deploying the more accurate Trident D5 missile is to make it clear that it has the ability to use its nuclear weapons, from invulnerable submarine platforms, against different numbers and types of targets including specifically military targets. This is made possible by the increased accuracy of the more modern missile. Their policy is designed to underline NATO's capability for flexible response, which is entirely defensive. It is not in any way to provide a "first strike" capability or to make "limited nuclear war" easier or more likely; neither the United States, the United Kingdom nor NATO as a whole subscribes to either concept.

Arms Control Implications of the Choice of Trident D5

32. Throughout its detailed studies of the configuration of the United Kingdom's Trident programme, the Government has had in mind

developments in the field of arms control between the United States and the Soviet Union. The Geneva negotiations on reduction in intermediate range nuclear forces (INF) are now underway, and the Strategic Arms Reduction Talks (START) are expected to begin later this year. Both of these are bilateral US-Soviet negotiations, the objectives of which are to establish a stable equilibrium between the two superpowers at reduced levels of force and risk.

33. We have made it clear that we do not believe that a unilateral renunciation of our strategic nuclear deterrent would have anything but an adverse reaction on the prospects for peace. Our decision to adopt the Trident D5 system, rather than C4, does not alter this simple fact. The role of a UK Trident force, like Polaris, is essentially that of an ultimate strategic deterrent. Thus even if the Geneva negotiations on INF were of a multilateral nature, the UK Trident force would not be relevant to them, as those negotiations are concerned with sub-strategic land-based forces.

34. As in the SALT I and SALT II negotiations, the British nuclear deterrent will not be considered in the forthcoming START talks. These are also bilateral negotiations between the United States and the Soviet Union and, as President Reagan has stated, their objective must be to bring about reductions to a level of parity between those two countries. This basic principle of strategic parity between the United States and the Soviet Union has been agreed since the Vladivostock meeting of 1974. It is the

only acceptable approach to strategic arms control; any attempt by either side to achieve in these negotiations a position of superiority over the other will condemn the talks to failure. For his part, President Reagan had made clear that the United States does not seek superiority.

35. Furthermore, even with the adoption of the D5 missile the number of warheads deployed on the British strategic forces will account for no more than a very small fraction of the total size of the strategic nuclear forces maintained by the United States and the Soviet Union, as would have been the case with C4. The British force will, however, be of the minimum size compatible with ensuring a cost-effective deterrent at all times. If these circumstances were to change significantly, eg if Soviet military capabilities and the threat they pose to the United Kingdom were to be reduced substantially, we would of course be prepared to review our position in relation to arms control. But this point would appear to be a long way off.

IV - RESOURCES

36. At the time of the July 1980 public announcement of our Trident programme, it was made clear that the costs for the proposed Trident force could not be estimated in close detail at that stage - further discussions were needed with the United States authorities, and several decisions remained to be taken about the design of the submarine. The broad cost of the programme at the price levels then prevailing, was assessed at £4,500-£5,000M. Subsequently, in evidence to the Defence Committee of the House of Commons, the Secretary of State for Defence explained that the options under consideration for the final configuration of the Trident programme ranged by about £1,000M between the most expensive and the least expensive.

37. The further work on refining the alternative programmes since July 1980 has of course had an impact on our assessment of their cost. At September 1980 prices, the £4,500-£5,000 figures of our public announcement is £4,600-£5,125M. (Prices and exchange rates prevailing in September of each year are used in the Ministry of Defence's annual review of its forward expenditure programmes; prices on September bases are therefore used in the remainder of this document). At September 1980 prices, we now estimate that the Trident C4 force in 640-class submarines we originally planned would cost some £5,100M, within the bracket we estimated after our original, and limited studies. The improvements to the propulsion and sonar systems together with the adoption of the OHIO class hull

(all of which would, as has been explained, be incorporated even if we were staying with a Trident C4 force) brings the cost of the C4 force up to £5,600M. The increment for the adoption of Trident D5 rather than C4 is £390M, giving a total for the D5 force of £5,990M (as compared with our original estimate for the basic C4 force of £4,600-£5,125M) thus falling within the range of options described to the House of Commons Defence Committee.

38. But, as has been explained, these figures are on the price bases of September 1980. They also assume the then prevailing exchange rate of \$2.36 to £1. Clearly, inflation since September 1980 and the strengthening of the dollar against the pound have had a significant impact on the estimates. Changing the basis of the estimate from \$2.36 to £1 to \$1.78 to £1 (the September 1981 rate) adds some £720M to the estimated cost of the project. Of course, the exchange rate could change again in a favourable direction. When allowance is made for inflation, and the cost is brought up to September 1981 price levels, the total cost of the D5 force on the terms agreed with the United States' Government becomes £7,500M. The composition of the cost increase is shown in Figure 3; of the total cost, at September 1981 rates, only some £570M, or 7.7% results from the decision to move to D5. It must be borne in mind that these figures relate only to the capital costs of the programme; the decision to adopt D5 can be expected to provide substantial cost savings over the life of the force as a whole. An approximate breakdown of the expenditure is:

- 17 per cent - Missiles
- 35 per cent - Submarines (less weapon systems equipment)
- 17 per cent - Weapon system equipment (including tactical weapons and strategic fire control systems)
- 8 per cent - Shore construction

This is shown in the diagram in Figure 4. The remaining 23 per cent covers warhead design and production and unallocated contingency.

39. The cost of Trident must be recognised as providing a complete system, including all support and training facilities. Moreover, the capability which Trident will provide for the cost must be seen against the background of the costs of other capabilities funded from the defence budget. Figure 5 shows a comparison of equipment expenditure on the strategic deterrent over the next 15 years with that on other capabilities. The attributions to the various capabilities are very broad since equipment with more than one role can often be used in more than one function. It must also be made clear that there is no simple relationship between what we plan to spend on our main capabilities and the relative importance of each.

40. Nevertheless, it is clear from Figure 5 that the planned expenditure on the strategic deterrent can in no way be described as excessive in relation to other capabilities. It is also interesting to compare (Figure 6) the cost of the Trident D5 programme (£7,500M) with that of the Tornado project which, costed on the same basis, is £11,300M. Over a fifteen year period in each case, Trident is likely to take a smaller proportion of the defence budget than was the case with Tornado, and also a substantially smaller proportion of the equipment budget. The Government remains totally convinced that no other way of spending the money which we shall spend on Trident could contribute as significantly to deterrence and hence the maintenance of peace.

41. So far as the impact on the defence budget is concerned, we estimate that the Trident D5 programme will cost on average around 3% of the defence budget over the period during which it will be introduced into service. No exact forecast of year-by-year phasing is possible at this stage, but we expect expenditure to reach its peak in the later 1980s. Broadly, the programme as a whole might absorb some 1-1½ per cent of the defence budget during the build-up in the first half of the 1980s, some 5 per cent (and some 10 per cent of the equipment component) when heavier spending builds up in the late 1980s, and then remain at this level during the early 1990s.

42. Given the movement in exchange rates since July 1980 and the decision to adopt Trident D5, the dollar element of spend in the programme has increased from around 30 per cent to something under 45 per cent. However, this assessment is based on the current pattern of procurement. Under the agreements negotiated with the US Government, the UK's purchase of Trident D5 is to be accompanied by US agreement to allow United Kingdom firms to compete on the same terms as US firms for sub-contracts for weapons system components for the Trident II D5 programme as a whole. This, together with other steps to be taken by the US, will mean that in the final analysis the dollar impact of the United Kingdom's acquisition of Trident II D5 will be affected by the success with which United Kingdom firms can exploit these new opportunities. Moreover our decisions on the improved tactical weapons fit, propulsion system and the OHIO class hull will mean that British industry will now receive an additional £550M worth of work as compared with the £3,650M envisaged in our previous plans.

Figure 1

NUCLEAR POWERED BALLISTIC MISSILE SUBMARINE

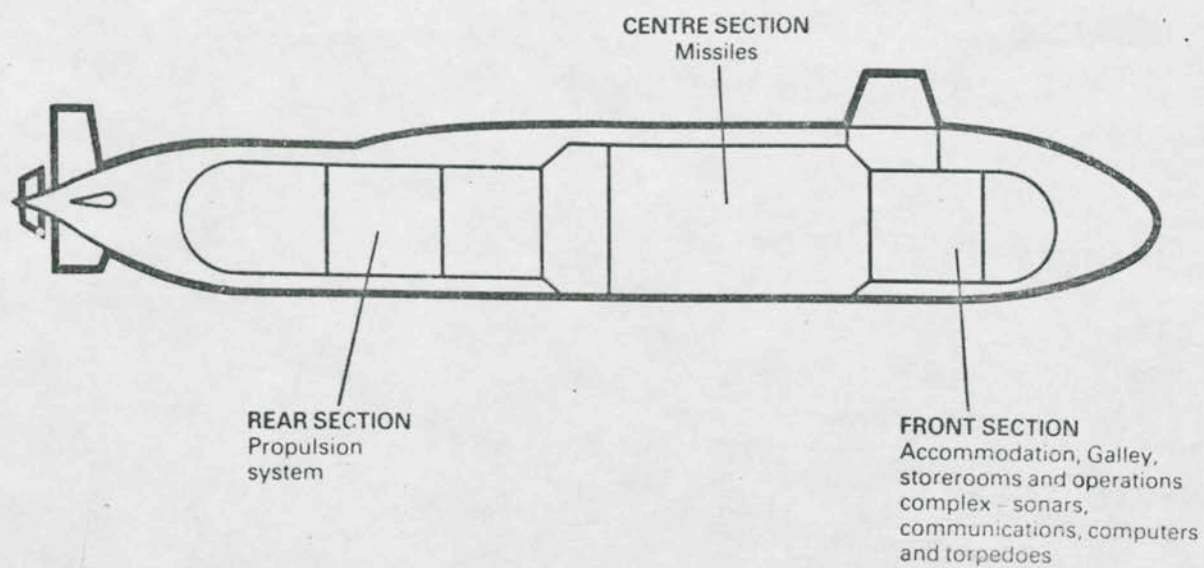
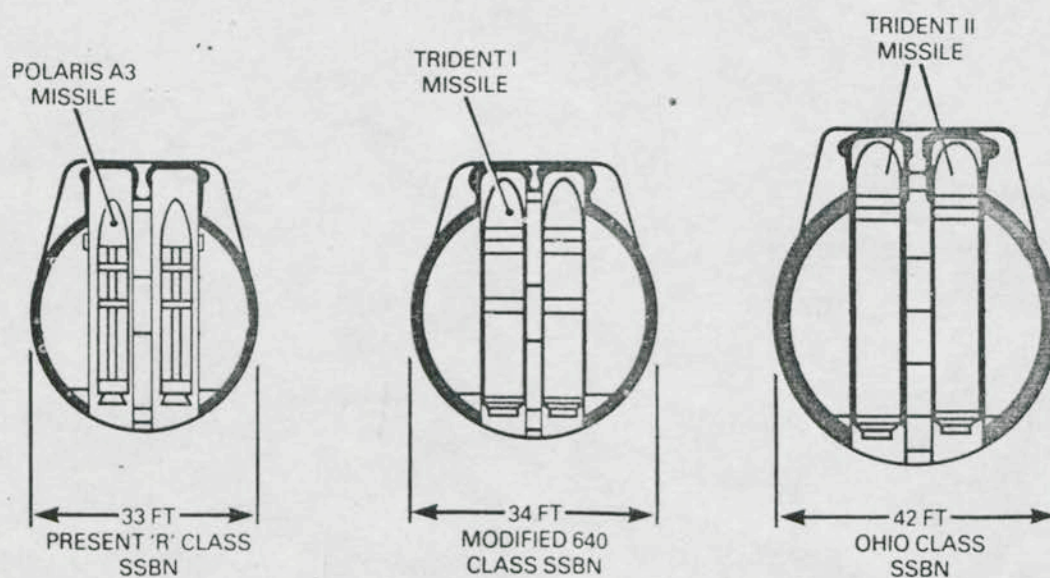


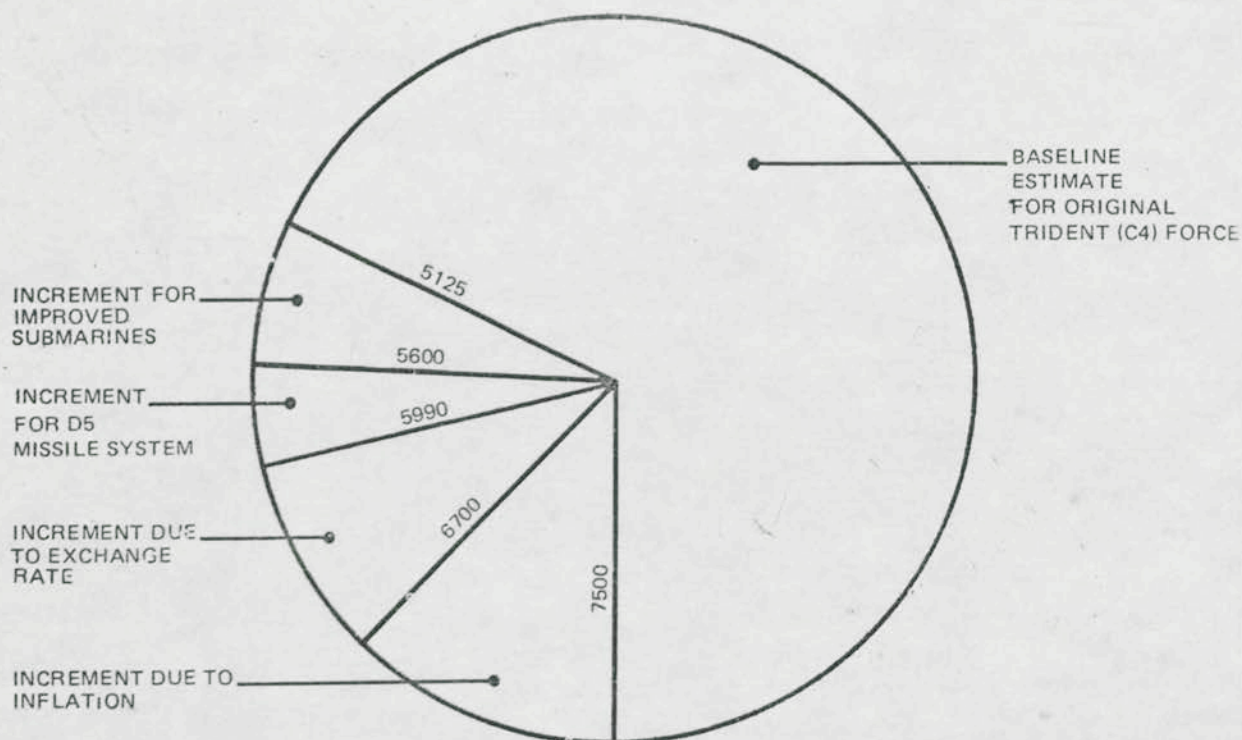
Figure 2

SUBMARINE HULL COMPARISON



TRIDENT COST COMPARISONS (£M)
(TOTAL COST -- £7500 M.)

Figure 3



TRIDENT II (D5) PROGRAMME : MAIN COST ELEMENTS

Figure 4

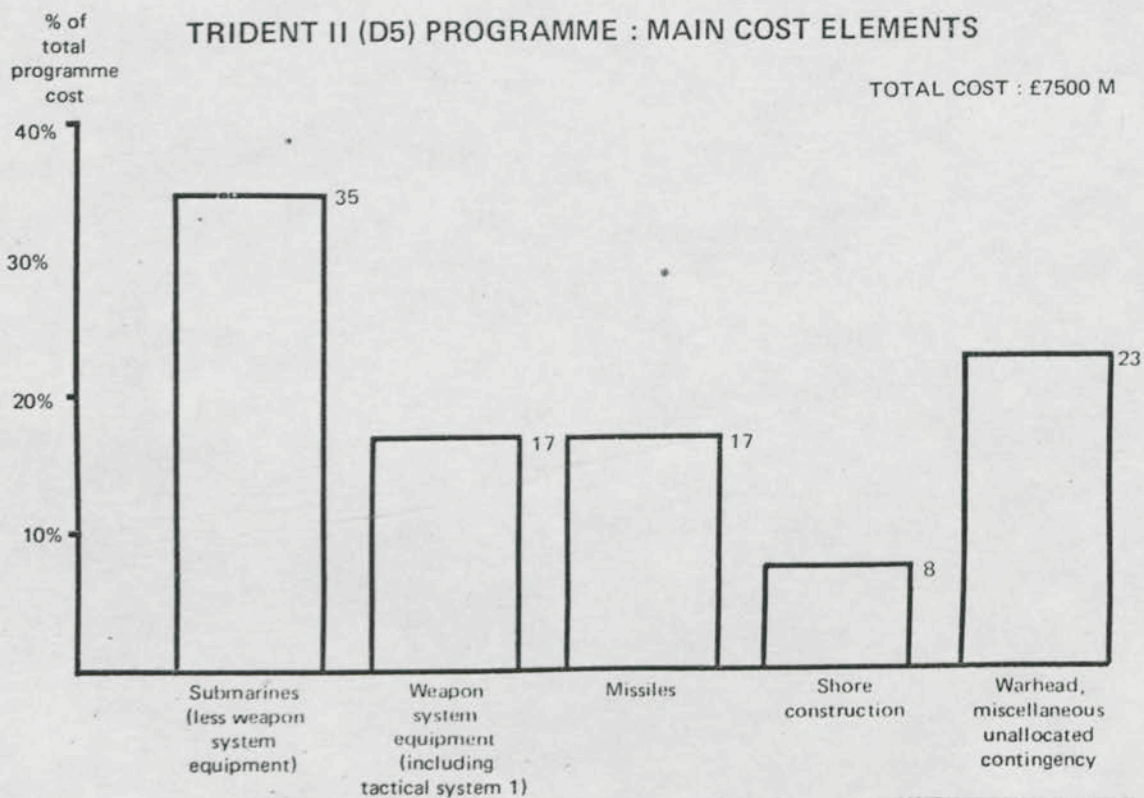


Figure 5

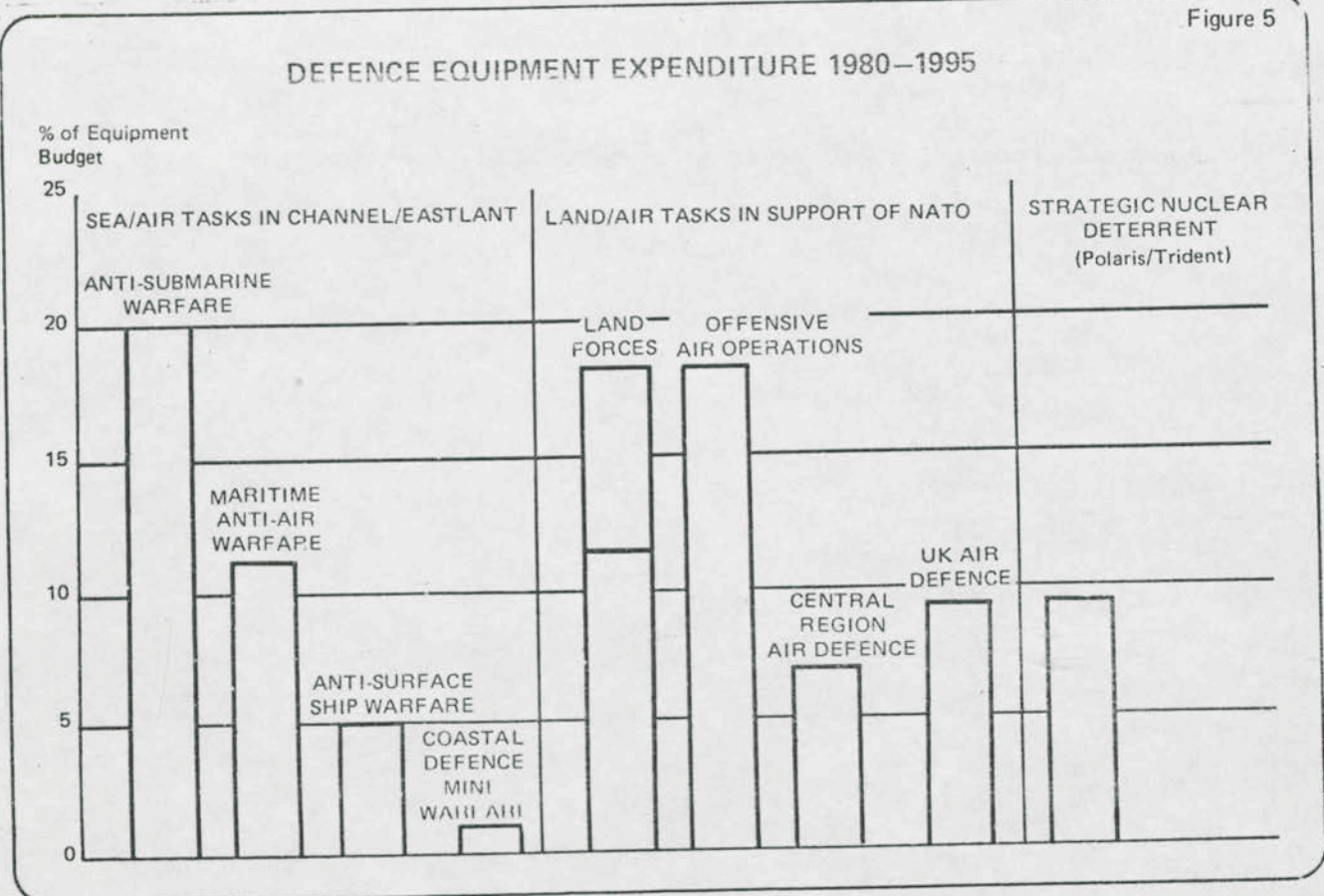
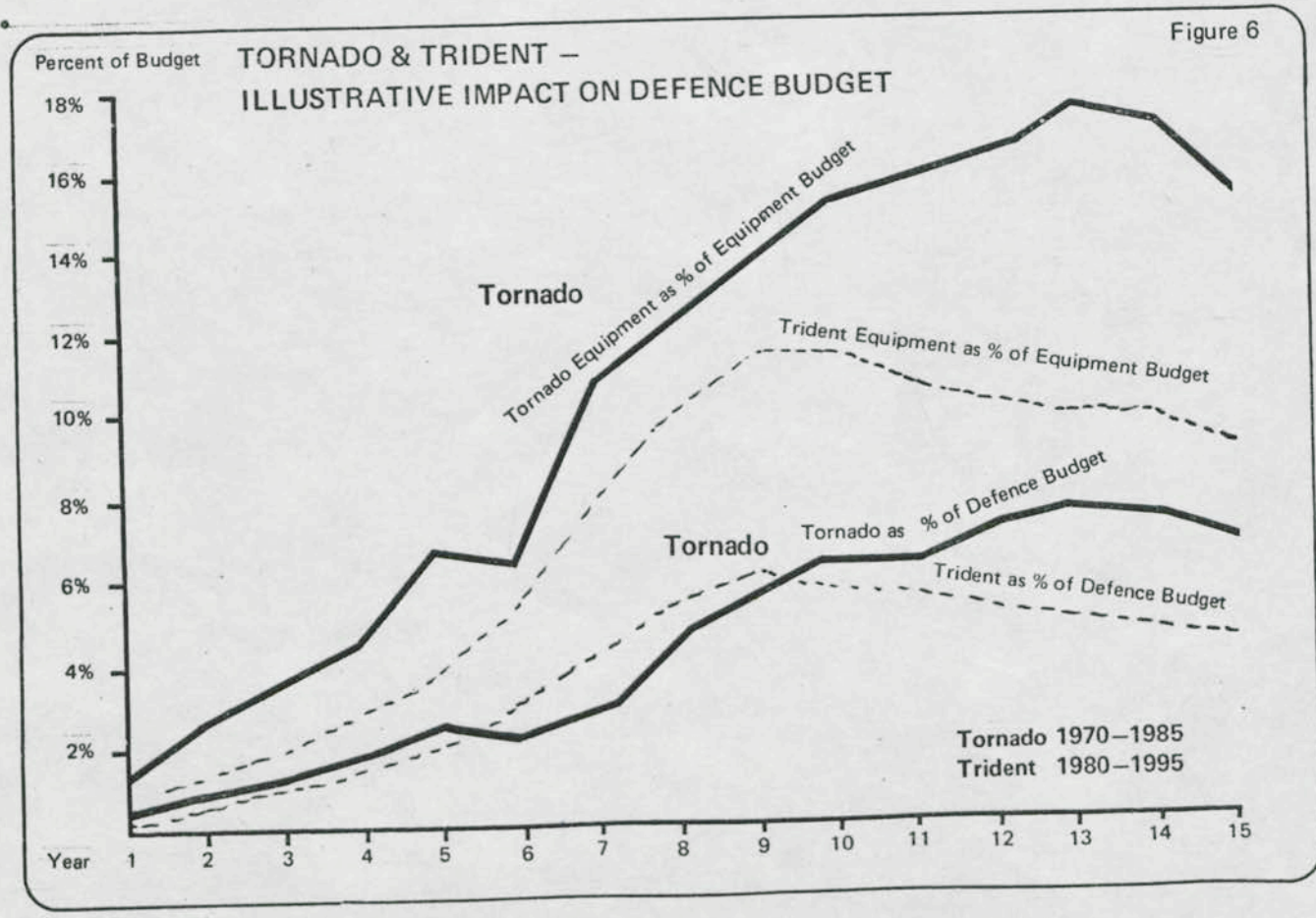


Figure 6





4

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

2 March 1982

MBP
K
2ii

D.B. Omand, Esq.,
Private Secretary,
Ministry of Defence

New South.

TRIDENT - OPEN GOVERNMENT DOCUMENT

You sent me a copy of your letter to Clive Whitmore of 10 February covering an early draft of the "Defence Open Government Document" on Trident. The Chancellor has since seen a further draft, circulated at official level on 26 February; and notes it is envisaged that a revised text will be put to MISC 7 for clearance in the near future.

It has occurred to him that it might be useful if I were to pass to you now his comments on the 26 February version, which are as follows:-

(a) Is the comparison in paragraph 2 between the Trident force and two more armoured divisions really one of like with like? It is perhaps important that the comparison should be seen as being with the most sensible alternative use of the total funds to be devoted to Trident.

(b) The omission of all reference to the number of boats is right; if MOD were to acknowledge in public discussion of the document that the figurework is based on a four boat force, they would no doubt also make the point that, while the figures have to be based on some assumption, no decision has yet been taken as to whether to build three or four boats.

(c) No reference is made in the document to the possibility of real cost escalation (although it may already have begun, at least on the missiles); and the total (unescalated) costs are compared, favourably, with the (post-escalation) costs of Tornado (paragraph 41). Whether or not that emerges in public discussion, are you sure that it is wise to try to whitewash Trident by blackening Tornado?

/(d) Paragraph



(d) Paragraph 43 claims that the decisions to upgrade the Trident force will give British industry an extra £550m worth of work over what they would have had with the less capable Trident force. But since all Trident expenditure is to be contained within the totals for the Defence Budget agreed separately, surely that £550m extra on Trident is also £550m not spent with British industry on conventional forces? Is the normal ratio of domestic to foreign spending in the Defence Budget higher than that for the extra Trident costs? If so, may the decision to upgrade the Trident force not involve a net loss to British industry?

Treasury officials will be pursuing a number of further points with their MOD counter-parts.

Copies of this letter go to John Coles (No.10), Brian Fall (FCO) and to David Wright and Roger Facer (Cabinet Office).

Yours ever,
J.O. Kerr
J.O. KERR

Copy No 1 of 4 Copies

Ref. A07679

PRIME MINISTER

*Simply we can
mention it - really
this Thursday
and say why.
not.*

Prime Minister*11 or 15 March for the**announcement?**My own preference has been
for 15 March all along.*Trident: Announcement Date

MISC 7 on 4 March is likely to approve the Trident D5 agreement, subject to final endorsement by Cabinet on 11 March. Mr Coles's letter to Mr Wright of 23 February recorded your view that the agreement should be announced the following Monday, ie 15 March. When I came to discuss business with you on 26 February, I showed you the Secretary of State for Defence's letter to me of 25 February (copy attached), and you said that, if that was the Secretary of State for Defence's preference, you were prepared to move the announcement date forward to the afternoon of the Cabinet decision day, ie 11 March.

2. The Secretary of State for Defence's preference for an announcement on the same day as the Cabinet discussions was based on the fear that, if the announcement was deferred over the weekend, the decision could leak from the Cabinet into the weekend press and complicate his handling of the announcement. He thinks that his advance briefing has diminished the risk of his Cabinet colleagues feeling that their decision has been taken for granted. But bringing forward the announcement to 11 March does not eliminate the risk of leaks, because of the way the American machine works. There has to be an announcement in Washington at the same time as the announcement in Westminster. The announcement in Washington will take the form of a message from the President to the Congress. In the two or three working days before such a message, key Congressional leaders are briefed in confidence about what is coming. Leaks are, therefore, likely. If the announcement is on 11 March, Congressional briefing will take place on 8-10 March, and leaks could well (and almost certainly will) occur before Cabinet has taken its decision. At the worst, such leaks might force us into a premature announcement on, eg 9 or 10 March. That is what happened over the C4 announcement in July 1980. If the same happened this time, we should once again have to go public before Cabinet could meet. But if the announcement is fixed for 15 March, then even if we were forced into premature disclosure (eg on 11 March) Cabinet's position would have been safeguarded.

3. When I put this point to the Secretary of State for Defence, he agreed that it was an important consideration and undertook to give the problem further thought. He has now said that he is content to leave the decision to Mr Wade-Gery and me; it has been made clear to him that I shall wish to refer it to you.

4. The Secretary of State for Defence sees the danger of planning for an 11 March announcement. But that remains his firm preference. He fears that Washington leaks may occur from 8 March onwards in any case; and that the media are almost bound to discover that Trident has been discussed at Cabinet on 11 March.

They did not find out about the cabinet decision

5. Mr Wade-Gery and I still think that the lesser evil would be to aim at an announcement on 15 March. If we re-emphasise the need for discretion vis-a-vis Congress, there should not be too great a danger of American leaks, at least before Cabinet meets. We could ask them if it would be possible to avoid briefing Congressional leaders until Thursday 11 March. The danger of leaks from Cabinet itself can be minimised if the subject is not mentioned in the circulated agenda and is dealt with in a paper tabled only in the Cabinet Room and collected before the meeting ends. There is no doubt that the Americans would prefer 15 March; if we go for 11 March, they will not finally know that we have taken our decision until about three hours before they have to make their announcement.

6. I should be grateful if I might tell both Mr Nott and the White House of your final decision, as between 11 and 15 March, as soon as possible.

7. I assume that the form of the announcement should follow the July 1980 pattern; ie a statement in the House by the Secretary of State for Defence and the simultaneous tabling of a White Paper in your name containing the texts of the two Exchange of Letters.

8. I am sending a copy of this minute to the Secretary of State for Defence.

RAA

ROBERT ARMSTRONG

1 March 1982

SECRET



*I spoke to the Holt
He will reconsider,
and we will
have another meeting
early next week.*

CABINET OFFICE
A 962
25 FEB 1982
FILE INSTRUCTIONS
FILE NO.

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000
DIRECT DIALING 01-218 2111/3

26 ii

MO 18/1/1

25th February 1982

Thursday
statement
at the Cabinet
not

cc. Mr Wade-Gery
M. Facer,

Dear Robert

Your Private Secretary's letter of 23rd February set out a plan for considering the Trident issue on a Thursday Cabinet with an announcement the following Monday. As I have explained to Robert Wade-Gery and others, I am not at all happy about this suggestion. Even if Trident does not appear on the Cabinet agenda there will be widespread enquiries from now on, each Thursday, as to whether Cabinet has considered the matter and I find it difficult to believe that the Thursday discussion will not become known. If this arises we can expect a media field day throughout the following four days which could well be extremely harmful to a successful presentation of the arguments on the following Monday. I am sure you will agree that it is always damaging for the press to sniff a forthcoming statement and to speculate on all its disadvantages in advance.

We should be ready with the Open Government document and all the other necessary administrative arrangements by Thursday 11th March. And the question, therefore, remains as to whether Cabinet colleagues will feel that they are being consulted in a full and proper way if a statement is planned for the same day. My own judgement is that we are in an entirely different position to the C4 announcement where Cabinet were only informed of the decision and there then followed a 15 minute discussion at a time when Trident had not even been properly considered. This

Sir Robert Armstrong KCB CVO



time round the course the situation is fundamentally different. The subject has been a matter of open debate for many months, I briefed everyone of my Cabinet colleagues many months ago and we are now going through the further detailed briefing with every member of the Cabinet which was given to MISC 7. We still have one more session but I see little reason to doubt that Cabinet would take a firm view in favour of D5 having had the fullest opportunity to ask questions and debate the issue at the briefing sessions.

I would, therefore, be grateful if you could reconsider the issue. It is a vitally important statement, on which I would like to go straight out of Cabinet on 11th March with a firm decision and announcement. If, of course, there were any problems in Cabinet the statement could anyhow be deferred until the following week. My Department does not see any overriding problems about informing our Allies and other interested parties on the timetable that I propose. Needless to say if for one reason or another March 11th was premature then I would prefer a special Cabinet early in the next week followed by an immediate announcement rather than the gap now proposed.

John
Edm.

John Nott



10 DOWNING STREET

From the Private Secretary

1 March 1982

Trident

In your minute of 26 February you described the terms and arrangements for the purchase of Trident D5 and enquired whether the Prime Minister (and her three colleagues directly concerned) are content with these.

The Prime Minister has commented that the terms are excellent and that she considers that the negotiators have done a wonderful job.

I am sending copies of this letter to Brian Fall (Foreign and Commonwealth Office), John Kerr (H.M. Treasury), David Omand (Ministry of Defence) and David Wright (Cabinet Office).

A. A. COLES

R.L. Wade-Gery, Esq., C.M.G.,
Cabinet Office.

K

TOP SECRET



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

/ March 1982

A J Coles Esq,
10 Downing Street
LONDON
SW1

Prime Minister.

The Chancellor is not disagreeing with the MISC 7 decision to go for D5 but is putting down a marker on costs.

New Idm,

PM
2.ii

TRIDENT

The Chancellor has seen with interest Robert Wade-Gery's minute to you of 28 February, and is grateful for so prompt a report on the outcome of last week's talks in Washington.

The (public) American statement on offset is new, and to be welcomed. But it does not in itself bring any concrete benefit to the UK: it may not be easy to convert the words into actual contracts for UK firms; and such contracts would not of course be of direct benefit to the Defence Budget.

The Chancellor's main comments are on the cost of the D5 missile system. He is glad to see that the facilities charge has been waived. Annex E to Robert Wade-Gery's minute shows an improvement in the total levies package under the new deal of some \$35m over the 1980 agreement. But the Chancellor's impression is that, taking account of the extra \$65m or so which the UK now expects to bear for the Rapier defence of USAF forces here, the UK will still be paying some \$30m more than would have been incurred under the 1980 agreement.

Secondly, the costs of the C4 missile were much better established in 1980 than are the costs of D5 now. Under the present terms, the Defence Budget has no protection against real escalation in D5 costs; nor has any fixed schedule of payments yet been agreed. The Chancellor understands that the latest American computer run shows a raw figure for D5 costs falling to us some £330m higher than the figures on which the MISC 7 paper, the draft Defence Open Government Document, and the negotiations have been based. He is also aware that the Americans argue that this raw figure needs some adjustment, and that it is probably too high. Nevertheless, it is disturbing that such hints of substantial (10 per cent) real cost escalation should appear so early in the programme. (While it is good that the R & D levy is fixed regardless of real escalation, every £330m increased in the total costs would of course add \$10m to the overheads charge).

/In sum,



In sum, the Chancellor's view is that the deal now negotiated is probably the best we could have got without direct dealings between Heads of State, and that it is doubtful whether it could be improved in such dealings. It is tolerable, and no doubt presentable to the House and the public. But it has no bearing on the major part of the programme (the work to be done in the UK on designing and producing the submarine and the warhead) on which substantial cost escalation must be expected. The likely overall cost of the Trident project still causes him considerable concern.

I am copying this letter to those who received copies of Robert Wade-Gery's minute.

Yours ever,

J O Kerr

J O KERR
Principal Private Secretary



CONGRESS

1 MAR 1982

12 1 2 3 4 5 6 7 8 9 10 11

12

PART 4 ends:-

Wade - Gery to AJC (T05739) of 26/2/82.

PART 5 begins:-

HMT to AJC of 1/3/82.

