Prime Minister.

7

Seen by the Prime Minister who noted X / approval.
17 vi

To see.
You have already agreed that:-
(i) Mr Pym should publish a full memorandum, though with some of the detail cut out, if possible.
(ii) Mr Pym should settle with his colleagues any detailed comments they offer.
16 vi

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

PRIME MINISTER

POLARIS SUCCESSOR: MEMORANDUM

I have read with interest the draft Memorandum attached to Francis Pym's minute of 10th June.

2. Like Willie Whitelaw, I am inclined to wonder whether it is really wise to say quite so much. We would expose a lot of flank. On the other hand, I recognise that Francis Pym is committed to publishing some account of the basis for our decisions, and to say too little would be counter-productive.

3. The estimate (paragraph 66) of the total capital cost of a four boat force at around £4/4½ billion at today's prices is incorrect. I understand that it is based on the MOD estimates contained in the report submitted with Sir Robert Armstrong's minute of 29th October, but these estimates were at September 1979 prices. I believe that MOD officials accept that the reference in the Memorandum should now be to "£4½/5 billion".

4. I have comments on the following two points of detail:-

(a) In general, I believe that the text fairly reflects how we decided to leave the issue of "four boats or five". But paragraph 59 is not wholly neutral on the issue, and I myself would prefer that the first half of its penultimate sentence be deleted. The argument that the fifth boat would be a useful hedge against improving Soviet anti-submarine warfare capabilities is one with which I have all along had some difficulty.

/(b)

(b) Impact on conventional capabilities. I suspect that many readers would feel that the concluding passages protest too much. Might it not be as well to omit the last sentence of paragraph 70?

5. I am sending copies of this minute to our colleagues in MISC 7, and to Sir Robert Armstrong.

(G.H.)
16 June, 1980