SUBJECT Def PRIME MINISTER'S PERSONAL MESSAGE SERIAL No. T148/80 88675NA BKBN D FSNR.: 1629 23.7.1980 T148/80 FEDERAL REPUBLIC OF GERMANY THE FEDERAL CHANCELLOR (Alrendy Word 10 Flo, Nos THE RT. HON. MARGRET THATCHER, M.P., PRIME MINISTER OF THE KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, LONDON -- GEHEIM MATLICH GEHEIMGEHALTEN --DEAR PRIME MINISTER. THANK YOU FOR YOUR PROMPT INFORMATION ABOUT THE DECISION TO MODERNIZE THE BRITISH POLARIS. ALTHOUGH THIS IS A PURELY NATIONAL AFFIAR BETWEEN THE NUCLEAR POWERS INVOLVED, THE DECISION NEVERTHELESS HAS IMPORTANT IMPLICATIONS FOR THE ALLIANCE AND THE GLOBAL BALANCE BF FORCES. I VELCOME THE DECISION TAKEN BY THE UNITED KINGDOM BECAUSE THE MODERNIZATION OF THE BRITISH NUCLEAR POTENIAL WILL CONTRIBUTE TOWARDS MAINTAINING THE BALANCE OF FORCES. I ALS PARTICULARY APPRECIATE THE FACT THAT IT HAS BEEN POSSIBLE TO FIND A SOLUTION WHICH, ON THE ONE HAND, MEETS THE TECHNALOGIAL REQUIREMENTS OF THE COMING CENTURY AND, ON THE OTHER, KEEPS WITHIN AN ECONOMIC SCOPE THAT WILL PREVENT ANY WEAKENING OF THE CONVENTIONAL FORCES OF THE UNITED KINGDOM AND HENCE OF THE ALLIANCE. I BELIEVE THEREFORE THAT THE RESOLVE OF THE UNITED KINGDOM, WHICH HAS THUS BEEN REAFFIRMED, TO STRENGTHEN ITS CONVENTIONAL FORCES, INCLUDING THE 3 PER CENT REAL ANNUAL INCREASE IN DEFENCE SPENDING, CONSTITUTES A MOST IMPORTANT SIGNAL. WITH WARM REGARDS, YOURS SINCERELY. (SGD.) HELMUT SCHMIDT+++ XBT QSL