

Comm. Minutes

Ref: A03584

ML

MR WHITMORE

17xi

cc Mr Ibbs
 Mr Le Cheminant
 Mr Wade-Gery

MW

Defence Expenditure

Mr Aaron, who is Dr Brzezinski's principal lieutenant on the staff of the National Security Council at the White House, has been in London, and Mr Wade-Gery and I saw him today.

2. Mr Aaron asked whether, in the course of the current public expenditure review, the Cabinet would be able to agree on a figure for defence spending which was consistent with the NATO commitment of 3 per cent a year growth in real terms. He left us in no doubt that, if we failed to do so, there would be an adverse effect on United States public opinion in its present state of feeling that Europe should be doing more and not less, and we could have trouble with the new Congress and perhaps with the new Administration, though they would no doubt be understanding. We should be reminded of the commitment in the exchange of letters about Trident to the "reinforcement" of our conventional capability.

3. I said that the review of public expenditure was still in train, and I could not say what the outcome would be. I went on to assure him that the Government was well aware of that aspect of the matter, and [relying on the knowledge that a reduction of £250 million would still mean an increase of over 2 per cent in 1981-82], I expressed the hope and belief that our performance would compare favourably with that of other members of the alliance.



ROBERT ARMSTRONG

17 November 1980