



MO 14/2

Full mtg record
on USA: Aug 80:
US defence Policy

We saw mtg. the
President's letter.
MM.

Prime Minister

It seems right to stall
the September payment.
We will now await the
President's letter

PRIME MINISTER

MM
24/1000

US STRATEGIC NUCLEAR DECISION

At the meeting which I had with the US Defense Secretary this morning Cap Weinberger said that he expected the whole range of US strategic nuclear decisions to be announced by President Reagan following the US Labour Day in the week beginning 7th September. Following his talks with President Reagan in Los Angeles, he thought that a decision in favour of the Trident D5 system, as opposed to C4, was about 98% certain with an In Service date of 1989 or sooner if possible.

2. If the US introduces the D5 system into service in this timescale, there are strong logistic and financial arguments against our sticking uniquely to the C4 system in the 1990s. Following the decision we have already taken, we have to commit ourselves to a further immediate payment of \$150M on procuring the C4 system by 1st September - a substantial proportion of which will be nugatory if colleagues eventually decide that we should follow the American example and go for the D5 system. Given this problem Cap Weinberger thought he could get the President to write to you by 1st September to confirm the American decision and so enable us, if we so chose, to avoid committing the further immediate payment of \$150M to the C4 programme. The Presidential letter might indicate that if the UK chose to procure the D5 system in the changed circumstances, the terms on which the system was procured



would be no less favourable to the UK than the C4 arrangements agreed with President Carter.

3. In the face of a new, and awkward, situation this is a most helpful offer. Weinberger and I both recognised that any such action must remain strictly secret until the President's public announcement of US strategic decisions, and thereafter until we had made our own decision on the best future strategic system to fit into the British Trident submarines. I told the US Defense Secretary that it might be November before we should be in a final position to take a UK decision. I do not think there should be too much difficulty in stalling on the UK expenditure on C4 by 1st September on technical grounds, thereby avoiding any appearance of having prejudged a D5 decision.

4. I thought I should let you and colleagues know of this at once. I will put a paper to you within the next few weeks.

5. I am sending copies of this minute to the Home Secretary, the Foreign and Commonwealth Secretary and the Chancellor of the Exchequer; and to Sir Robert Armstrong.

Ministry of Defence
21st August 1981

FW