

Ref. A07115

PRIME MINISTER

MISC 7: Trident: Negotiations with the Americans

In my brief for the meeting of MISC 7 tomorrow, I submitted advice on how you might wish to direct that action should proceed, if MISC 7 reached agreement on the basic issues. I suggested that, after you had sent a message to President Reagan to seek his decision about how we should now proceed, a small high-level official team should visit Washington to negotiate on the broad basic terms of our purchase of the D5 missile.

2. I have subsequently heard that the Secretary of State for Defence may propose that these negotiations should be conducted directly between the Ministry of Defence and the Pentagon. It is understandable, given the Pentagon's, and in particular Mr. Weinberger's, support for our acquisition of Trident, that the Ministry of Defence hope that this would secure us the best terms. But it would run the risk of mixing us up in internal Administration politics and perhaps alienating the State Department, whose support we shall need as well as the Pentagon's. In order to avoid this danger, I think it would be best that we should propose to the Americans to follow the pattern of the earlier negotiations to acquire the Trident C4 missile, when our team was led by the Cabinet Office and included officials from the Foreign and Commonwealth Office and the Ministry of Defence. If the Americans then want to propose otherwise, we can consider how to respond.

REA

ROBERT ARMSTRONG

11th January, 1982



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CONFIDENTIAL

MEMORANDUM FOR THE ATTORNEY GENERAL

Re: Proposed Foreign Assets Reporting Act of 1950

1. The proposed Foreign Assets Reporting Act of 1950 (H.R. 1012) is a bill to amend the Internal Revenue Code of 1939 to require certain persons to report to the Internal Revenue Service their foreign assets and liabilities.

2. The bill is designed to provide information to the Government regarding the financial resources of persons who are known to be active in the foreign field.

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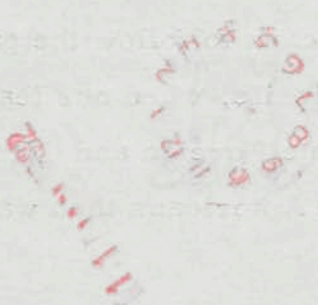
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17. The bill is designed to provide information to the Government regarding the financial resources of persons who are known to be active in the foreign field.

18. The bill is designed to provide information to the Government regarding the financial resources of persons who are known to be active in the foreign field.



REPORT NUMBER

CONFIDENTIAL

Ref. A07107

PRIME MINISTER

The United Kingdom Strategic Deterrent

MISC 7(81) 1

BACKGROUND

When MISC 7 met on 24 November 1981 there was not enough time to discuss the issues fully and you asked the Secretary of State for Defence to arrange a presentation. This will be given in the Cabinet Office Briefing Room on the morning of 12 January.

2. After a short introduction by Mr Nott,
 - (a) the Chief of the Defence Staff (Admiral of the Fleet Sir Terence Lewin) will speak for 20 minutes on the criteria for deterrence; the timing of the replacement of Polaris; and the essential military characteristics which a successor system will need. After an interval of 10 minutes for questions,
 - (b) Sir Ronald Mason (Chief Scientific Adviser at the Ministry of Defence) will speak on the choice of options and the vulnerability of various systems to defences; there will be another 10 minutes for questions, then
 - (c) Sir Frank Cooper (Permanent Under-Secretary) will speak on costs: after questions
 - (d) the Secretary of State for Defence will deal with policy and general issues.

This ought to leave about 45 minutes for further questions and discussion before lunch. The Chief of the Naval Staff (Admiral Sir Henry Leach) and Rear-Admiral Grove, who is in direct charge of the Trident project in the Ministry of Defence, will also be present to answer questions.

3. As agreed in November, the regular MISC 7 membership will on this occasion be reinforced by the Lord Chancellor, the Secretary of State for Industry and the Paymaster General. All three have been given a preliminary briefing by the Ministry of Defence. They will be present in an individual rather

than a Departmental capacity (as are two regular members of MISC 7, viz. the Home Secretary and the Lord President).

4. All participants in the morning session have been invited to a buffet lunch in No 10. After lunch Ministers will move to the Cabinet Room for a formal meeting of MISC 7; this will include the three extra Ministers, but exclude the Ministry of Defence admirals and officials (Mr Nott has not asked to have any advisers with him).

The Secretary of State for Defence's Proposals

5. The Secretary of State for Defence's proposals are set out in his paper MISC 7(81) 1 summarised in my brief dated 23 November 1981 (copy attached) and will be described more fully in the presentation.

6. You will recall from the discussion on 24 November that the Home Secretary accepted the case for D5 against the other alternatives, but felt that the choice with which Ministers were faced raised a still more fundamental question: whether the United Kingdom could afford to continue to maintain an independent strategic nuclear deterrent. The Lord President was worried that the proposed switch from C4 to the even more powerful D5 missile would adversely affect both public opinion today and the attitude of whatever Government emerges from the next elections. The Foreign and Commonwealth Secretary shared these worries, and was also concerned at the greater difficulty of keeping a D5 force out of future arms control negotiations (a 4 boat D5 system with 16 tubes per submarine is capable of delivering as many as 896 warheads, though it is not intended to deploy more than 480; for comparison, four C4 boats could deliver 512 warheads, and our prospective Polaris/Chevaline force only 128). He, therefore, favoured staying with C4 now and switching later to D5. The Chancellor of the Exchequer supported D5 now but preferred only 12 missile tubes per boat (though the saving would be small). You expressed anxiety about our vulnerability to Soviet anti-ballistic missile developments including particle-beam and laser weapons, and felt that the costs of D5 were uncertain and likely to escalate well beyond the present estimate. The presentation will cover all these points.



7. Some Ministers at last time's discussion also argued that NATO's doctrine of flexible response may no longer be viable, since the Russians have so improved their nuclear strength at all levels; and the dangers of "decoupling" Europe from America are seen to be increasing. This makes an independent British deterrent both more important and more controversial.

8. You will be particularly interested in what Sir Frank Cooper has to say about costs, including the division between the submarines, the missiles, the nuclear warheads, the base in Scotland and other items; the division between domestic and overseas expenditure (the new proposals involve spending around 60 per cent in the United Kingdom compared with over 70 per cent stated publicly in the case of C4); and the risks and uncertainties, and the contingency allowances included for them.

HANDLING

9. The basic questions which Mr Nott will pose are:
- i. Should the United Kingdom continue to maintain an independent strategic nuclear deterrent?
 - ii. What should an independent strategic nuclear deterrent be capable of doing?
 - iii. Should Polaris be replaced and, if so, in what timescale?
 - iv. Can a decision on the future of the strategic deterrent be long delayed without raising doubts about credibility and national will?
 - v. Should an independent strategic nuclear deterrent be submarine launched, and should it be a ballistic missile?
 - vi. How, and when should any new decision be announced?

You might wish to structure the afternoon discussion to deal with a simplified version of these questions, in which numbers iii. to iv. are rolled together into "When and with what should Polaris be replaced?". You may wish at each stage to make a point of eliciting the views of the three Ministers not present in November.

Staying in the Game

10. This is of course the big question. And, though the question is whether we replace Polaris in the early 1990s, the implications of a decision not to replace Polaris would be felt much sooner. There would be little point in continuing to maintain Polaris; our defence nuclear research and development capacity would wither away; and we should have to concentrate on the requirements of conventional defence in the next decade.

11. The presentation will be strongly slanted to the maintenance of the independent strategic nuclear deterrent, and to Trident D5 as the best choice for a Polaris successor. The Chiefs of Staff are conditioned to staying in the game, and I do not think that they have really contemplated the implications of coming out of it. The political as well as the military implications of coming out are so tremendous that your colleagues are likely to conclude that we should stay in. If they do, you will want to establish that a British deterrent must be clearly effective; and that its independence is crucial. We are not of course logistically independent, as the French are (at a terrible price); but if the Americans ever cut off their support our force would remain viable for a time (considerably longer with Trident than with Polaris) and would at least have the option of sustaining it with a crash programme of our own thereafter. Our operational independence is complete.

Capability

12. The first issue is invulnerability, ie the ability to strike second. This will be readily agreed to be essential. The more difficult question, as the presentation will bring out, centres on the "Moscow criterion".

This has always been regarded as a necessary criterion. If it still is - and nothing less appears to carry the necessary weight of threat - D5's greater accuracy and firepower are very important; we should have to be sure of having two C4 boats in service at any one time; but with D5 or boat in service would suffice, and two would give a reasonable certainty. Lower criteria, in descending order, would involve being able to inflict breakdown-level damage on:

Time and Nature of Replacement, ie When? and What?

13. The former should not be controversial. Between 1990 and 1995 the Polaris/Chevaline force will be increasingly obsolescent and expensive to maintain. Your colleagues are likely to agree that decisions are essential now, even though we may have a year or two's flexibility over the final in-service date for the replacement. You could then approach the "What" issue by establishing first that no one opposes a submarine system; and secondly that no one opposes a ballistic one (ie not cruise missiles, which contrary to popular mythology would not be cheaper). That will bring the meeting back to the basic choice between C4 and D5; ie between continuity and change, and between the perils of C4's uniqueness and the uncertainties of D5's costs. There are four options:

- (a) stay with C4;
- (b) stay with C4 initially, but build a large enough submarine to enable D5 to be fitted later;
- (c) go for D5 and four boats;
- (d) go for D5, but build only three boats.

Of these, (a) will have no friends; and (d) will be generally seen as militarily unreliable, since there would be no margin for accidents. So I think that the real argument will end up as (b) versus (c), with (b) being championed as politically safer while (c) is defended as both cheaper and easier to negotiate. But the political argument needs to be tested: are the Russians any more likely to leave our missiles out of account in strategic arms limitation talks if we are in with C4 than if we are in with D5? And will it make much difference to the nuclear disarmament lobby if we are in with C4 than if we are in with D5?

14. C4 might give us the deterrent capability we need, if all went well; but that is a very big "if", in a lifetime in service of something like 25 years. The main argument against C4, and for D5, is in my judgment the "uniqueness" of C4. With Polaris we have been running at all times in parallel with the much larger US Polaris force, and with all the "back-up" which that implies. Now the US are phasing out Polaris, and for the next ten to twelve years we shall be on our own with Polaris/Chevaline. We have seen in the Chevaline programme the penalty of being on our own. In the coming years we must expect a lower level of confidence in and greater running costs on Polaris. By 1998 the Americans will have

/ phased out



phased out Trident C4 and be running D5 only. From then on, if we were on C4, we should be on our own; if we were on D5, we should continue to have the US "back-up" behind us. If the object is to provide ourselves with an effective deterrent to 2020, this seems a critically important consideration.

Procedure

15. It will be important to defer an announcement until basic negotiations with the Americans are complete; this should not take long, and we must not weaken our negotiating hand by having committed ourselves publicly. You may also want the Cabinet to be consulted at an earlier stage than they were in 1979/80. If our decision is for D5, a suitable sequence would be as follows:

- i. The Secretary of State for Defence should circulate a short paper to Cabinet, for consideration on 21 January; for security reasons, such a paper could be handed round at the meeting and taken back at the end of it.
- ii. Immediately after Cabinet, you should send a message to President Reagan to accept his offer of D5 and to seek his decision about how we should now proceed (this could be a delicate matter, given the recent changes in the administration in Washington).
- iii. A small high-level official team should then visit Washington to negotiate on the broad basic terms of our switch to D5, including the question of United States Government levies; of our purchase of the missile, and on the text of an Exchange of Letters and of an announcement; and on presentation to the allies and to the public (this would follow the procedure of the negotiation of the Trident C4 agreement with the Carter administration).
- iv. Thereafter, a public announcement should be made.
- v. Technical-level discussions with the Americans would follow.

If our decision is for a mid-life C4/D5 switch, the sequence would be the same, though the content of your message at ii. and of the negotiations at iii. would of course be different.

*There is a
supplementary
brief on this
point (below).*



CONCLUSION

16. This is a decision not to be hurried, if it is not yet ready to be crystallised. It seems likely that you will be able to record a decision that we should stay in the game of independent nuclear deterrence. It may be that a consensus in favour of D5 will emerge sufficiently strongly to be recorded as a decision. Unless a clear consensus in favour of one or other of the options becomes evident, however, you will want to postpone the final decision (probably between straight D5 and a mid-life switch) for a week or two, to give Ministers time to think over the extensive briefing and discussion to which most of 12 January will have been devoted.

17. If a clear decision can be taken, either for D5 or a mid-life switch, your summing up should also direct that follow-up action should proceed as set out in paragraph 15 above.

ROBERT ARMSTRONG

11 January 1982

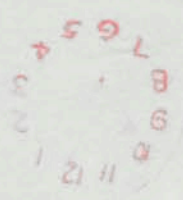


The first of these is the fact that the
 government has a long history of
 intervention in the economy. It has
 been a major force in the development
 of the country's infrastructure, and
 has played a key role in the
 growth of the private sector. This
 has led to a strong and diversified
 economy, which is a testament to
 the government's commitment to
 economic development.

The second of these is the fact that
 the government has a strong
 commitment to social justice and
 equality. It has implemented a range
 of policies to improve the lives of
 the poor and to ensure that all
 citizens have access to basic
 services. This has led to a
 more equitable society, and has
 helped to reduce the gap between
 the rich and the poor.

The third of these is the fact that
 the government has a strong
 commitment to environmental
 protection. It has implemented a
 range of policies to protect the
 environment and to promote
 sustainable development. This
 has led to a more environmentally
 friendly society, and has helped
 to preserve the country's natural
 resources.

The fourth of these is the fact that
 the government has a strong
 commitment to international
 cooperation. It has worked closely
 with other countries to promote
 global peace and stability, and
 to address the challenges of
 the world. This has led to a
 more peaceful and stable world,
 and has helped to improve the
 lives of people everywhere.



11/11/2022