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FM FCO 241315Z FEB 82

TO FLASH WASHINGTON

TELEGRAM NUMBER 341 OF 24 FEBRUARY

INFO MODUK FOR PS/S OF S

YOUR TELNO 594 : TRIDENT

FOLLOWING PERSONAL FOR WADE-GERY.

1. WE CONSULTED AUSTRALIANS YESTERDAY ABOUT LINE TO BE TAKEN BY MR NOTT IN THE HOUSE, AS PER LAST SENTENCE OF COLE'S LETTER. FROM AUSTRALIANS' REACTION IT WAS CLEAR THAT A UK STATEMENT WHICH ANNOUNCED WITHDRAWAL FROM SALE OF INVINCIBLE (IF 1983 DATE WERE NOT TAKEN UP), IF MADE IN ADVANCE OF AUSTRALIAN CABINET DECISION, WOULD GIVE RISE TO ALLEGATIONS OF BAD FAITH. AUSTRALIANS WERE HOWEVER REMINDED THAT CURRENT OFFER REFERS ONLY TO 1983 AND THAT A LATER DATE WOULD CREATE NEW POLITICAL SITUATION WHICH OUR MINISTERS WOULD NEED TO CONSIDER: AND THAT ALTHOUGH SALE IN 1985 IS NOT RULED OUT, IT WOULD REQUIRE SUBSTANTIAL NEW DISCUSSIONS ON THE SALES AGREEMENT PARTICULARLY OVER FORWARD PAYMENTS. ENFIELD, DEPUTY SECRETARY IN AUSTRALIAN PRIME MINISTER'S DEPARTMENT, SUMMARISED HIS UNDERSTANDING OF THE POSITION AS QUOTE YOU HAVE GIVEN US UNTIL 28TH FEBRUARY TO MAKE UP OUR MINDS. YOU PREFER THE 1983 DELIVERY DATE. IF WE COME BACK PROPOSING 1985 DELIVERY, THEN YOUR MINISTERS WILL NEED TO LOOK AGAIN UNQUOTE. THE AUSTRALIAN DECISION IS LIKELY TO BE TAKEN BY 2400 LONDON TIME TODAY.

2. TODAY YOU CAN THEREFORE ONLY REPEAT, IF THE SUBJECT OF INVINCIBLE IS RAISED BY THE US, THAT AUSTRALIANS HAVE UNTIL THE END OF FEBRUARY TO DECIDE ON 1983 PURCHASE. IF THEY PREFER 1985 MINISTERS WILL CONSIDER A DEFERMENT OF THE SALE DATE IN THE LIGHT OF ANY AUSTRALIAN PROPOSALS. S OF S DEFENCE ACCORDINGLY DOES NOT REPEAT NOT BELIEVE WE ARE FREE TO PUT INVINCIBLE INTO TRIDENT DEAL, FOLLOWING YESTERDAY'S

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STATEMENT (FULL HANSARD TEXT BEING TELEGRAPHED SEPARATELY)
AT LEAST UNTIL MINISTERS HAVE CONSIDERED ANY FRESH AUSTRALIAN
PROPOSALS.

3. FOLLOWING JON CONNELL'S ARTICLE IN SUNDAY TIMES OF
21 FEBRUARY SEVERAL INQUIRIES HAVE BEEN RECEIVED FROM SENIOR
INDUSTRIALISTS ABOUT POSSIBILITIES FOR TRIDENT OFFSET AND SECOND
SOURCING. THIS WILL BE VERY IMPORTANT ELEMENT IN PRESENTING
D5 DECISION.

4. PLEASE EXPLORE POSSIBILITY OF SIDE LETTER FROM WEINBERGER
OR CARLUCCI WHICH WOULD MAKE IT CLEAR THAT WE HAD PUT FORWARD
PROPOSALS FOR POTENTIAL PROJECTS IN THE TWO-WAY STREET OF
INTEREST TO USA. LETTER WOULD INDICATE THAT FOLLOWING
DISCUSSION OF THESE MATTERS, DEPARTMENT OF DEFENSE WISHES
TO MAKE CLEAR THAT EVERY EFFORT WILL BE MADE IN THEIR
PROCUREMENT PROCESSES TO GIVE FAVOURABLE CONSIDERATION TO SUCH
BRITISH PROJECTS. IT COULD THEN SAY THAT LEGAL/CONGRESSIONAL
POSITION MEANS THAT IT IS NOT POSSIBLE TO GIVE FIRM
UNDERTAKINGS, BUT DOD RE-EMPHASISE BELIEF IN TWO-WAY STREET
AND HAS TAKEN FULL NOTE OF OUR PROPOSALS. IT WOULD HELP IF
LETTER COULD ALSO EXPLAIN THAT DOD HAS BEEN ACTIVE IN OUR
INTERESTS FOLLOWING THE ORIGINAL C4 AGREEMENT WITNESS THE
AV8B, THE VTX AND OTHERS WHICH COULD BE LISTED, TOGETHER
WITH TOTAL VALUE. THE OBJECTIVE OF THIS LETTER WOULD BE TO
REASSURE SENIOR BRITISH INDUSTRIALISTS THAT WE HAD BEEN PUSHING
ON THEIR BEHALF.

5. YOUR PRIME OBJECTIVE IN THIS AREA REMAINS THE SECOND
SOURCING AGREEMENT WITH LONDON OFFICE, BUT DEFENCE SECRETARY
WOULD BE GRATEFUL IF YOU COULD EXPLORE POSSIBILITY OF SUCH A
LETTER, AS AN ADDITIONAL PRESENTATIONAL BENEFIT.

CARRINGTON

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