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Ref: A0547

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TOP SECRET

PRIME MINISTER

Future of the Strategic Deterrent
(MISC 7)

BACKGROUND

This is a key meeting. The likely decisions will affect our most important means of defence over the next 40 years and thereby the basis of our intentional military posture; and they will have major implications for the Defence Budget, and indeed for public expenditure, for the next decade.

2. One point can be disposed of at once. The Chancellor of the Exchequer and the Secretary of State for Defence have (I understand) reached effective agreement on the formula proposed by Sir John Hunt("option 5") under which the Defence Budget during the PESC period to 1983-84 is fixed at the (lower) Treasury figures and the cost of replacing Polaris is treated as a charge on the Contingency Reserve. This will not have been reported to the Cabinet by 5th November. At this meeting you will need to refer to the likelihood of the Cabinet settling for that formula. But it of course leaves open what happens about Polaris replacement costs after 1983-84. Sir Geoffrey Howe will want them met from within whatever Defence Budget is agreed for 1984-85 and later years; Mr. Pym will argue that in that case there will need to be a corresponding increase in the Budget's overall size. MISC 7 cannot resolve that point now, but will not need to do so provided that its members are prepared to agree that whatever happens Polaris replacement is our top defence priority. The Chancellor of the Exchequer and the Secretary of State for Defence can then each reserve their positions on whether it is paid for (after 1983-84) by new money or by cuts elsewhere in the defence programme or by a bit of both.

HANDLING

3. You may wish to conduct the meeting in three stages:

(i) "Procedural" points.

(ii) The answers to the three questions in my minute of 29th October -

(a) Do we retain our strategic deterrent?

(b) What should it be capable of doing?

(c) Which weapon should we choose?

(iii) Other major issues -

(a) Number of boats

(b) Timing of Announcement

(c) International implications

These stages are discussed in what follows.

PROCEDURE

4. You are due to meet President Carter on 17th December. Deterrent policy is certainly one of the issues you will want to discuss with him. If our decision is to go for a system which depends on American technical and logistic support, that will be the time to ask him for it. You would not wish to approach him earlier, since the request could present him with problems during the present phases of SALT II ratification and TNF modernisation. We therefore have a little time in hand before decisions need be taken. No decision need or should be taken today. Today's discussion will clarify the issues in all our minds; then time for reflection, and for getting answers to any questions not covered in this discussion; and finally take decisions shortly before you leave for Washington. For the purposes of this discussion we should assume that there will be no limitations upon American willingness to help which might constrain our freedom of decision. The Americans are well aware that we are considering Polaris replacement, and what the options for us are. The President will not be unprepared for your request, if you make one to him. It will be important to press him to give a definite answer as soon as possible, and preferably while you are in Washington: the later it is left, the greater the danger of it being held up or shelved on account of United States electoral considerations.

THE THREE QUESTIONS

Yes or No?

5. Your Luxembourg speech made pretty clear that we would continue with our deterrent after Polaris; and it was MISC 7's starting point, at its first meeting in May, that the Government was fully committed to doing so.

But the Chancellor was not invited to that meeting; and the seriousness of the issue is such that your colleagues should at least be invited to reaffirm that we do wish to stay in what is, for us, a pretty big league. Mr. Pym could be invited to begin, on the basis of his paper.

6. That paper deals summarily with the question, on the basis of previous discussion. Are you content to do that? Or do you want to invite the Committee to go over the fundamental questions again? I suppose these questions are: What good has it done us so far to be in the strategic deterrent league? Given the decline in our world position in other respects, will it do us enough good to stay in the league from the 1990s to justify the cost of the burden this programme represents in the meantime? How important is it for us, and for our NATO allies, that we should continue to maintain our own strategic deterrent capacity? How conceivable is it that we may want to use, or to be able to threaten to use, a British strategic deterrent independently of the United States, either in our national interest or in that of the NATO alliance? In terms of cost-effectiveness as a contribution to our own and our allies' security, is this preferable to use of a corresponding amount of resources on more conventional weapons? (There is also the British-owned GLCM as an alternative: AWRE Aldermaston cannot do both that and Polaris replacement. But that is, for these purposes, a red herring: if we are staying nuclear, I don't think anyone would suggest that we should go for our own GLCMs in preference to a Polaris replacement.) I suspect that the answer to all these questions is in effect that, having been in the league for thirty years, it is inconceivable for a Government committed as this is to the maintenance of national defence to take a decision which would irrevocably take us out of that league. But it may still be right to have asked, and agreed upon answers to, questions of this kind.

No

Moscow or Not?

7. Again Mr. Pym could be invited to lead. The key point is that we shall be stuck with whatever we choose until about 2020 AD. Enemy defences are likely to improve. There is a strong case for not starting with less than the means of meeting the optimum damage criteria, * [redacted] * If we are going to have a strategic deterrent, it should be as effective and as credible as possible.

* ~ * Words deleted and retained under Section 3(4) Wayland. 13/12/11

C4 MIRV?

8. Once again, Mr. Pym to lead. As he points out in his paper, this clearly emerges as the best option, on both military and financial grounds. The table on page 16 of the revised Mason Report shows that only this weapon will adequately meet the damage criteria. Cost is relatively low and reliable, because we should be acquiring a weapon which the Americans will be continuing to procure for themselves; not one specially devised for us.

Other Major Questions

Size of Force

9. Mr. Pym should lead on this. If the choice of system is C4 MIRV, the only real alternatives are 4 boats (as at present) or 5. The cost of 5 boats is expected to be £8,000 million over 20 years, against £7,000 million for 4 boats.. But a 5 boat force would give us some hedge against accidents; and barring these, it would enable us to have 2 boats on patrol at all times. The French are building their sixth ballistic missile submarine. It is now generally recognised that the cancellation of our fifth Polaris boat in 1965 was an expensive mistake, without which we might have avoided the costly Polaris improvement programme now nearing completion (Chevaline).

Again this is a resource question: is the fifth boat the Chiefs of Staffs' top priority, as compared with e.g. more aircraft or more frigates, for the extra £1,000 m. over 20 years?

Timing

10. You may wish to ask Mr. Pym and Lord Carrington for comments on factors which could affect the moment at which, if we decided on C4 MIRV and President Carter was prepared to pledge the necessary support, we should make an announcement. These factors include progress of the TNF modernisation programme; the ratification of SALT II; the approach of United States elections; and the development of our campaign over the EEC budget.

International

11. Lord Carrington should be asked to lead.

(i) The Americans. A decision to go for C4 MIRV will keep us totally dependent on United States co-operation over a very long period. As with Polaris, once we have our boats and weapons, we shall have full operational independence in a crisis. But as

with Polaris we shall be relying on the Americans not only for initial supply but also for continuing logistic support. If the latter were cut off at any time - and it would be dependant not only on successive Administrations but also on successive Congresses[*

* We cannot foresee how Anglo-United States relations will develop over the next 40 years. It is impossible to be as confident of continuing support for a quarter of a century ahead in 1979 as it was in 1949. But they have not so far either let us down or used our dependence as a means of pressure. In any case, we have no real alternative. Going it alone would be prohibitively expensive. That only leaves co-operation with the Americans or co-operation with the French.

(ii) The French. To avoid later recrimination, it is important for your colleagues to be clear that they are choosing the American rather than the French alternative and why. We do not know that the alternative exists. But it is at least possible that the French might have liked to see us develop our next generation deterrent with them, broadly on the basis of our submarines and their missiles. Our basic reason for not wanting this is that it would almost certainly give us a less effective weapon at greater cost. If we were convinced that we should base our long-term decisions on the hypothesis that the American connection was likely to decline and the European connection to become our predominant international link and stay, then we should arguably go into partnership with the French. Politically it would be a more evenly balanced partnership. But it would seriously worry the Germans. It would pose great problems with the Americans, on whom we remain dependent for keeping Polaris going through the 80s. And is France's long-term reliability inherently greater than America's?

~ Passage deleted and retained under Section 3(4).
O Maryland, 13/12/11

(iii) President Giscard. None of this means that we should quarrel with the French now, as Mr. Macmillan did with President de Gaulle over Polaris. There are signs that Giscard expects us to go for an American-based Polaris replacement, and will neither be greatly surprised nor react as violently as de Gaulle did. But it will be taken by the French as yet another sign that our European commitment is less than whole-hearted, and we should do what we can to prevent Giscard from harbouring or fostering this feeling. When he comes, you should probably indicate to him the direction in which our minds are working. And it is certainly my belief that, without adopting French technology or compromising American secrets, there are deterrent matters we could usefully discuss with the French, such as co-ordination of deployment of boats and perhaps targeting questions. You may therefore wish to seek discretion on how you handle President Giscard during his November visit to London; and to ask the Foreign and Commonwealth Secretary, in consultation with the Secretary of State for Defence, for a brief on how discussion of this subject might help to win his support on the EEC budget issue. (Sir John Hunt promised that we would give you a brief on this. But the policy issues involved, particularly in relation to SALT III, are such that Ministerial advice would be more appropriate.)

12. You may wish to sum up as follows.- There is no need, and it would be premature, to take a decision today. Ministers should reflect further on the major issues involved before committing themselves to a final decision. You will reconvene the group in about a month's time to take a final decision, for endorsement by the Cabinet before you see the President. But the discussion points towards a decision to go for a Polaris replacement, and specifically for a 5-submarine force armed with C4 MIRV missiles. For the purposes of a final decision it would be useful for:-

(a) the Secretary of State for Defence to advise MISC 7 more fully on the problems at Aldermaston, (his minute to you of 1st November), the constraints these are likely to impose in the long term on our ability to develop and produce nuclear warheads, and the best way of remedying the situation;

(b) the Secretary of State for Defence to produce a further assessment of the relative costs and balance of advantage between a 4 boat and 5 boat force (effects on manning, the support organisation, the hunter-killer nuclear submarine building programme);

(c) the Secretary of State for Defence to produce an account of how the rest of the naval programme might be affected by the need to build the new force (regardless of weapon system); particularly its anti-submarine warfare elements, from the point of view of technical resources, shipbuilding capacity, sub-contractors, etc.;

(d) the Secretary of State for Defence to advise how much extra it might cost to achieve complete logistic independence of the United States during the operational life-time of the system, if we choose a C4 MIRV solution;

(e) the Foreign and Commonwealth Secretary to produce considered advice on how best to represent the decision to France if we decide to go for a C4 MIRV system.

RTA

(Robert Armstrong)

2nd November 1979

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the Secretary of State for Defence to ask the MEDC's more fully on the problem of a Malay Regiment, (his opinions so far differ), the counter-insurgency forces are likely to improve in the long term on our ability to develop the produce modern warfare, and the best way of conducting the elections;

(b) the Secretary of State for Defence to produce a further assessment of the relative costs and disadvantages between a 1 Brigade and 3 Brigade forces (where on a footing, the support organisation, the Malayan-Other modern administrative building programme);

(c) the Secretary of State for Defence to produce an account of how the rest of the naval programme (light destroyer) by the need to build the new force (regardless of weapon system); particularly in anti-submarine warfare of aircraft, from the point of view of technical design, shipbuilding capacity, anti-commitment, etc.;

(d) the Secretary of State for Defence to provide how much extra it might cost to authorise companies in the independence of the United States during the operational phase of the campaign, if we choose a CAMILV solution;

(e) the Foreign and Commonwealth Secretary to produce consideration now best to announce the decision to France if we decide to go for a CAMILV phase.

(Robert Armstrong)

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PRIME MINISTER

I attach a brief for the discussion in MISC 7 on 5th November of the future of the strategic deterrent.

2. The handling of this discussion presents peculiar difficulty. You had a message from President Carter on 15th October, to which you replied on 22nd October. In his message the President made it clear that we could have whatever we wanted, including MIRV'd C4s, but he also asked us to go a little slow with our approach to the Americans, because of their sensitivities in relation to the ratification of SALT II and TNF modernisation. The Americans would prefer us not to take our decision about what we want until just before you see the President in December. You have promised the President not to approach him formally until you see him.

3. I think that you will have to handle the meeting without disclosing the existence of President Carter's message. He has specifically asked that it should not be made known to the Chiefs of Staff; so that you would in any case be unable to refer to it if you acceded to the request by the Secretary of State for Defence that he should be accompanied at the meeting both by the CDS and by Professor Mason. You told the President that you would tell the Foreign and Commonwealth Secretary and the Secretary of State for Defence of his message, and Sir John Hunt has shown the exchange to them both. By implication this excludes the Home Secretary and the Chancellor of the Exchequer, and you will therefore be unable to refer to the message or disclose its existence to them.

4. All this means that the meeting need not in fact speculate on American willingness to help us with this or that technical or logistic support; but you cannot disclose the reasons for this. You will have to handle the meeting on the basis of an assumption, for the purposes of debate, that there are no limitations on American willingness to help us. And, as the Americans are anxious that there

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should not be a formal decision until shortly before you go to Washington, you will wish to steer the meeting to conclusions which fall short of a final decision, without being able to disclose your real reason for doing so.

5. The attached brief is prepared accordingly. It is, I hope, clean of any reference to your correspondence with the President.

RTA

ROBERT ARMSTRONG

2nd November, 1979

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Prime Minister. 47

Agree that we should proceed as in paragraph 5?

AHH
5/11

SECRET AND PERSONAL

Ref. A0578

PRIME MINISTER

MISC 7

The postponement of MISC 7 presents us with a new set of handling problems.

2. Given that we do not intend to raise this with the Americans until your visit on 17th December, there is no need to have the meeting and take the decision - which (as you said) is almost a foregone conclusion - until late November or early December. You will presumably want to inform the Cabinet of the decision at the last meeting before you go, on 13th December. The postponed meeting of MISC 7 could thus wait until early in the week beginning 10th December.

3. That would get us round one of our problems, which is the visit which the Chief of the Defence Staff is proposing to make to Australia. He is due to go on 17th November and return on 3rd December. He has already put off his visit once, in order to be available for an earlier meeting of MISC 7. He will certainly want to be available for the next meeting. If we can have the meeting as late as 10th December, he will not have to alter his plans a second time.

4. On the other hand he will feel - not knowing about the message you have received from President Carter - a great sense of concern about the postponement of the decision, and he will fear that, if we have not raised it with the Americans before you go over, there can be no possibility of a decision in the course of your visit. So the pressure will be on him to soften up his counterparts in the United States - which is of course just what we do not want him to do.

5. I think that the only way through this is to aim to have the meeting of MISC 7 about 10th December - we can decide on the exact date nearer the time - and, if you agree, for me to ask the Chief of the Defence Staff to come over and

see me, and to tell him, on your instructions, that you have decided that you want to play this personally and at the political level with the President and that you attach great importance to this and that you do not want the pitch queered by any preliminary contacts, or any kind of indications as to the likely outcome of Ministerial discussion, with the Americans at any level before then.

6. May we proceed accordingly?

Yes please MT.

RTA

(Robert Armstrong)

5th November, 1979

SECRET AND PERSONAL

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10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

MISC 7

The Prime Minister has seen your minute A0578 of 5 November 1979 and agrees that we should proceed on the lines of paragraph 5 of your minute.

AW.

7 November 1979

SECRET AND PERSONAL