



TOP SECRET

PRIME MINISTERReplacement of Polaris

You will wish to see the two attached minutes of 29th and 30th November recording a visit from Dr. David Aaron of the White House. The second of these is marked Top Secret and has not been copied elsewhere because of the references to your exchange of messages with the President in October.

2. We will cover relevant points from these records in briefing you for MISC 7 on 5th December. But you will not be able to refer there to the Top Secret Aaron record, since as you will remember your exchange with the President has not been revealed to two members of MISC 7 (the Home Secretary and the Chancellor) or to the Chiefs of Staff.

3. Your brief for Washington, which I will be putting forward outside the main series, will need to cover the following points.

4. The President will want you to avoid asking formally for the Trident system on 17th December, and to be content to wait for a formal and publishable answer until SALT II has been ratified by both parties. From our point of view this is disappointing and unsatisfactory. We want a definite decision and agreement as soon as possible, so that the Polaris replacement programme can gather momentum; and we want to get the President firmly and formally committed sooner rather than later; the longer we leave it, the closer we get to the United States election, and the greater is likely to become his reluctance to commit himself. You will therefore want to apply pressure upon the President on the timing. Given the state of opinion here, you can hardly leave Washington without making clear what we want; or without pressing for a very early answer.

5. One point which you could perhaps make to the President is that the American argument about Soviet reactions can and should be stood on its head. The Russians must already know that an Anglo-American deal on a successor to Polaris is in the offing. If they want to wreck it by attaching a condition to



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SALT II ratification, they are much more likely to try to do so before it is announced, in the hope of scaring the Americans off it. Once it has been signed and published, they will recognise that the President has committed himself publicly to a major ally and cannot possibly draw back. So they will not demand that he does so unless they merely want an excuse for wrecking SALT II; and they will only decide to wreck SALT II if Senate riders have made it unacceptable to them, in which case they will find some excuse whatever precautions the Americans take.

6. Nonetheless, however good the argument, we cannot expect that it will persuade the President to the sort of timing we want. He clearly regards the ratification of SALT II as crucial to his re-election; and he certainly will not do anything that he believes or is advised will put that at risk. So I fear that we shall have to settle for as firm a private commitment as you can get, both to a favourable decision on substance and to the earliest possible formal commitment, agreement and announcement.

7. We can accept the communique language suggested by Dr. Aaron subject to two amendments -

- (i) In the main passage on the deterrent, the second sentence should begin -

"The leaders agreed that their Governments should continue their discussions to ascertain ..."

We must make clear that the process has already started.

- (ii) In the passage on the defence budget the final sentence should begin -

"The Prime Minister reaffirmed the United Kingdom's strong support for the NATO Long Term Defence Programme; and noted that the United Kingdom has increased its defence spending in recent years and was determined to make further increases to improve the effectiveness of United Kingdom conventional defence ..."

We cannot agree to "maintain the size" of our forces in all circumstances.



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We shall not want to discuss this communique language outside the Cabinet Office, since it would provoke too many questions about why we were not aiming at something more conclusive, which we cannot reveal without referring to your exchanges with the President.

8. We will have ready for your visit a considered draft for an Exchange of Letters, which will contain a strengthened passage on our conventional defence effort on the lines of the proposed communique passage. We can and will agree this with Departments concerned, including the Treasury.

RA

(Robert Armstrong)

4th December 1979

Ref: B05858

Copy 196

SIR ROBERT ARMSTRONG

cc Mr Quinlan, MOD  
Mr Moberly, FCO  
Mr Hastie-Smith

Polaris Replacement

Dr Aaron called to see me this morning as arranged. No one else was present, apart from his NSC assistant Mr Jim Thomson ~~for part of the time.~~

Congress

2. Dr Aaron said that, once agreement had been reached between the President and the Prime Minister, the Administration would need to notify Congress formally under clause 36b of the Arms Export Control Act. They had considered but rejected the idea of avoiding this by claiming that the new deal was merely a continuation of activity under the Polaris Sales Agreement of 1962/3 (as was done in the case of the Chevaline agreement). Extensive congressional consultation would be politically necessary even if the 36b procedure was not used; and an attempt to evade 36b would stir up procedural controversy unrelated to the substance of the issue. In any case, 36b notification was not expected to cause any difficulties. It involved only 20 informal followed by 30 formal days during which the new Agreement would lie before Congress and be open for discussion there. No affirmative resolution would be needed, although a debate would be unavoidable. The United States would not be legally bound by the Agreement until the 50 days were up. But the delay need not slow things up in practice, since the detailed terms of the proposed sale did not have to be worked out before notification was sent to Congress and negotiations on these could therefore take place during the 50 days. Management and administration of the co-operation programme, once agreed, would be through the established Polaris Sales Agreement mechanism and the United States Navy; not through the Foreign Military Sales mechanism and the Defence Security Assistance Agency.

Effect on United Kingdom Conventional Defence Effort

3. The Administration would need to assure Congress (and themselves) that the British conventional defence effort would not be adversely affected by the proposed deal. They did not want to be attacked in Congress for



undermining the conventional defence of Western Europe and thus exposing the United States to having to foot nationally a larger conventional bill than would otherwise have been necessary. This was the one area in which Dr Aaron's team had found the British team's statements at our 18th October meeting less than fully satisfactory. Our reasons for offering only general assurances were understood. But the President might feel he had to ask us, at least privately, to "put some figures on it". There was no clear reply when I queried how any private assurances could help the President with Congress. But the clear implication was that the Administration would like us to commit ourselves to something beyond the NATO formula of an extra 3 per cent of real GDP annually up to 1986 - since it is only after 1986 that the cost of the Polaris replacement programme will become significant. Dr Aaron suggested that I should personally discuss this whole aspect of the matter with Ambassador Komer during his visit here on 5th December. I infer that Mr Komer is the main American worrier in this area; that it was he who did not like our 18th October performance; and that it is him we shall have to convince of our inability to give post-PESC figures.

#### Exchange of Letters

4. Dr Aaron said that he had given no thought to the mechanics of the agreement. But he agreed that an Exchange of Letters might be appropriate; and that this should take place just before we went public. He noted that going public on our side would probably mean a statement in Parliament; on the United States side congressional notification might not be the first public step though it would certainly be an early one. On an unofficial basis I then showed him (by previous agreement with the Ministry of Defence) the preliminary draft for an exchange of letters attached at Annex A to this minute. I explained that it had not yet been properly considered even at official level here and therefore had no status; that its reference to Trident was purely illustrative, since as he knew we had not yet made any decision on our system preference; and that I was not proposing to give him a copy. He confirmed that he did not want a copy, but commented that something like this draft might in practice serve well, subject to two points -



- a. the paragraph (4) on our conventional defence effort could usefully be strengthened;
- b. the Americans would need to satisfy themselves that they could in fact meet our requirements for Special Nuclear Materials; he still thought this might be difficult, though less so than when he was here on 18th October since it now looked as if the United States supply position might be somewhat eased by the proposed recall of 1,000 warheads from Europe.

#### Timing

5. Dr Aaron envisaged a broadly satisfactory NATO decision on Theatre Nuclear Forces on 12th December; the Alliance would probably have to go ahead without the Danes, and the problem of whether to do so without the Dutch as well should be soluble even if much more difficult. Ratification by national parliaments where necessary should not take long thereafter; although the Americans had no details, they assumed early January at latest. But the Belgians and Italians, as well as the Dutch and Scandinavians, seemed certain to make their agreement conditional on SALT II ratification. This could complicate the timing of our agreement on Polaris replacement. The Administration were still hoping for SALT II ratification in December. But it could easily slip to January or even February. This was something the President and Prime Minister would need to talk about. The prospects might of course be clearer by 17th December.
6. Dr Aaron noted that we might be entering a period of crisis within the EEC, until the budget problem was settled. The Americans would need to walk all the more warily. They would not want to be accused of trying to widen a split within the Community by a move which could be represented as a dramatic resuscitation of the Special Relationship between Washington and London. An EEC crisis would also be a factor to be taken into account in deciding how to handle the recalcitrant Danes and Dutch over the TNF decision; it would be an argument against precipitating too sharp a NATO crisis at the same juncture.

Other points

7. a. I agreed with Dr Aaron that we could expect the subject of the Polaris replacement to be discussed by the Prime Minister in Washington only with the President, ie not during her visit to the Pentagon.
- b. I mentioned the Panorama programme on the future of our deterrent, due on 10th December, as an example of the build-up of public interest; and the guarded nature of the line the Defence Secretary was being briefed to take during his interview.

A handwritten signature in blue ink, appearing to read 'R L Wade-Gery'.

29th November 1979

R L WADE-GERY

Draft letter from Prime Minister to President

1. At our meeting in Washington on 17th December I explained that the United Kingdom Government attached great importance to the maintenance of a nuclear deterrent capability. It will be necessary to replace the present Polaris force in the early 1990s and I explained that, having reviewed <sup>the</sup> options, the Government has concluded that the Trident 1 weapon system best meets the need to maintain a viable deterrent capability into the 21st century. I therefore asked you if the United States Government would be prepared, in continuation of the cooperation which has existed between our Governments in this field since the Polaris Sales Agreement of 1963, to supply, on a continuing basis, Trident 1 missiles, equipment and supporting services, in a manner similar to that in which Polaris was supplied. In addition I asked if the US Government would be willing to amend further the 1958 Agreement for Cooperation on the Uses of Atomic Energy for Mutual Defence Purposes in respect of the supply of special nuclear materials for the UK deterrent programme.
2. I explained that the UK Government would wish to purchase sufficient missiles, complete with multiple independently targettable re-entry vehicles and less only the warheads themselves, for a force of five submarines which the UK would construct, close coordination being maintained between the Executive Agencies of the two Governments in order to assure compatibility of equipment. We would also wish to purchase such special nuclear materials <sup>we needed</sup> as, and were beyond the UK's own capacity to provide, to enable the UK to produce the warheads.





Ref: B05860



2B

SIR ROBERT ARMSTRONGPolaris Replacement: Dr Aaron's Call

This minute supplements my note of 29th November recording Dr Aaron's call. It is not being copied outside the Cabinet Office, although I shall report orally today to Mr Quinlan, Ministry of Defence and Mr Moberly, Foreign and Commonwealth Office, asking them not to discuss the subject with anyone except (at most) Lord Carrington, Mr Pym, Sir Michael Palliser and Sir Frank Cooper.

Timing

2. Paragraph 5 of my note of 29th November describes only the tip of the iceberg.
3. I explained to Dr Aaron that, though these were only my personal guesses, I expected that the key Ministers concerned would next week choose a MIRV'd Trident C4 system as our preference; that Cabinet would be told of this, and would concur, the following week; and that the Prime Minister would (as her message in October foreshadowed) seek the President's agreement to this on 17th December. Dr Aaron said he hoped she would come to Washington not "with a formal request in her pocket" but rather to discuss with the President how the whole issue should be handled, including the timing both of her request and his response. The President would of course confirm to her the assurances already given in his October message. But there would almost certainly be major problems to discuss as regards timing in relation both to the Theatre Nuclear Force decisions and (above all) to SALT II ratification. These might make it necessary to postpone the date on which our Polaris replacement agreement was published, and therefore the date on which it was formally reached. With that prospect, it would be dangerous if the Prime Minister arrived on the crest of a wave of public expectation that the decision was about to be made. With suitable apologies for trespassing on our internal arrangements, Dr Aaron wondered if our decision at Cabinet level in mid-December need be in specific terms. The risk of leakage was bound to rise thereafter.



4. I stressed the very strong pressures which the Prime Minister would be under. The climate of expectation already existed. We had done well to damp it down for as long as we had. The Government had been elected on a platform which included the replacement of Polaris. That was eight months ago. Mrs Thatcher was now about to pay her first visit to Washington as Prime Minister. It would be ludicrous to suggest either to her Cabinet colleagues or to the President that we still could not make up our minds what we wanted. Dr Aaron took the point. He conceded that she would be bound to tell the President which system we wanted. But could she perhaps tell her Cabinet colleagues that, while our preference was decided, she would not formally ask the President to agree to it until she was sure that he would?

5. Dr Aaron then raised the question of what was to be said in the 17th December communique, and left me for consideration draft passages (attached at Annex A) covering not only Polaris replacement but also British conventional effort (cf paragraph 3 of my note of 29th November). I said that these would need careful consideration here. My own first reaction was that they were on the right lines. But the real problem was that fend-off language of this kind would only serve for a limited period. The Prime Minister would come under increasingly strong pressure for news of a concrete request and response. The position in Parliament could no doubt be held until the Christmas Recess; but it would be very difficult once Parliament reassembled on (probably) 14th January. There would no doubt be similar problems at the United States end.

6. Dr Aaron agreed. Congress would reassemble early in January. There would be strong pressures. But the dangers on the other side would be even greater. As he talked, it became clear that the real American worry centres on SALT II. It was the "mainspring" of Mr Carter's Presidency; without it the Presidency would "be destroyed". It was clear that the Senate would attach to ratification some riders which the Russians would much dislike. If the Americans had at that stage just announced a Polaris-replacement deal with us, the Russians might well attach a counter-rider insisting that the British deal be abandoned. The President could not survive if SALT II was lost because (as it seemed) he had made the wrong deal with us at the wrong moment. But once SALT II was ratified by both sides he would be free to make whatever deal we wanted.



7. I reminded Dr Aaron that he had talked in August of the period before SALT II ratification as the best time vis-a-vis the Russians for the United States and United Kingdom to make their Polaris replacement deal. But it was clear that he had already discounted this and other arguments in favour of speed. He refused to be drawn on just how long a period of delay he saw as likely or possible. But he was quite clear that "timing is going to be our one big problem".

#### Procedure

8. I explained to Dr Aaron that you would be in Washington on 20th-21st December as well as with the Prime Minister; and I sounded him on the idea of your leaving a considered draft for the Exchange of Letters with Dr Brzezinski on 17th December and discussing its substance with him on your return to Washington later in the week. Not surprisingly, in view of his timing worries, he suggested that this might be too rapid a programme. It might be better, he thought, if you left our draft with them on 20th December (so that they could if necessary tell reporters truthfully on 18th December that this had not been done); negotiations on it could then be taken up in January when you and/or I and/or the standard Wade-Gery team might perhaps come over to Washington. But he would like to discuss this whole aspect of the matter with Dr Brzezinski and then let us know their considered views.

#### The French

9. Dr Aaron then turned to the question of presenting the Anglo-American agreement to our allies. Apart from the French he thought nothing needed to be said to any of them in advance (though he did not demur when I said we had not yet considered whether it might be tactful to tell the Germans before they read it in the press). As to the French, he himself would be seeing M Wahl at the Elysee on 13th or 14th December, on his way back from the NATO meeting. He had in mind to tell him that Polaris replacement was likely to be discussed between the President and the Prime Minister in Washington, and that the Americans were disposed to continue their collaboration with us over a new generation. It might be useful (he thought) if we too had an advance word of this kind with M Wahl (not with any other French official), preferably just before Dr Aaron did. I said we had already indicated to the French in general terms, eg to President Giscard last week, that we intended (a) to modernise our strategic deterrent and (b) to continue to base ourselves on collaboration with the Americans;



the French appeared to welcome (a) and to understand our reasons for (b); and it might therefore be that there was little further we could tell them until the new Anglo-American agreement was concluded. Dr Aaron agreed that this might be so. But he asked us to let him know before 13th December whether we would be speaking to M Wahl.

10. Dr Aaron concluded by asking Mr Thomson to leave us and then repeating the President's problem about timing with great emphasis. SALT II was vital to him. Everything else had to take second place.

R L WADE-GERY

30th November 1979

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DRAFT LANGUAGE FOR  
US/UK DECEMBER 17 COMMUNIQUE

The two leaders agreed on the importance of maintaining a credible British strategic deterrent force and US/UK strategic cooperation. The leaders agreed that their governments will be in touch to ascertain the most appropriate means of achieving these objectives for the future.

communique language on UK defense budget commitment:

"The President and Prime Minister discussed the importance of increased efforts to strengthen NATO's defenses, both nuclear and conventional. The President reviewed the outlines of the US Five Year Defense Plan, noting that in order to carry out that plan, the US will be increasing defense spending, in real terms, steadily over the next five years. The Prime Minister noted that the UK had increased its defense spending in recent years, and was determined to make such further increases as are necessary to maintain the size and improve the effectiveness of UK conventional forces, including provision of modernized equipment and war reserves."

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