

TOP SECRET

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MR. PATTISON

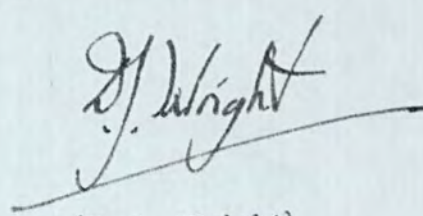
MISC 7

We spoke about the problems over the timing of MISC 7 in view of the meeting of Cabinet now arranged for Monday, 2nd June at 11.00 am. I attach a copy of the most recent exchange with the White House. You will see that David Aaron says that Harold Brown will be "prepared" to talk about the Polaris replacement

In view of this exchange, Harold Brown will no doubt be expecting the Prime Minister to raise the subject and might be surprised if she did not.

2. There are further operational reasons for holding this meeting of MISC 7 before the meeting with Harold Brown. First, it will be difficult to arrange another meeting next week because of Mr. Pym's absence in Norway. Secondly, the timetable proposed by the Americans for dealing with the agreement to replace Polaris is already very tight. They propose, for instance, that this should begin with the Prime Minister giving her letter to President Carter on Sunday, 22nd June at the beginning of the Venice Summit, to be concluded with an announcement on 1st July.

3. We therefore need a MISC 7 decision on policy in the course of next week in order that discussions with the Americans on this may be concluded in the week of 9th June.



(D. J. Wright)

30th May, 1980

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MR ALEXANDER*Prime Minister**The Foreign Secretary is content with the recommendations in para 7. Agree? Yes or no?**(Is it necessary to send an summary to Washington? Good will Sir N. Henderson hand over your letter?)*Polaris Replacement

In the margins of the quadripartite meeting on political preparations for the Venice Summit a 7 (on which Sir Michael Palliser is reporting separately), I was able to discuss Polaris replacement with Mr Aaron of the White House staff in secure conditions at the American Embassy in Paris on 3rd June and (in suitably guarded language) when he lunched with me the following day.

2. He had had a brief report of Dr Harold Brown's talk with the Prime Minister on 2nd June. I was able to confirm

i. that they had settled the R and D problem on the basis of a firm proposition from Dr Brown, which the Prime Minister accepted, that we should pay only a 5 per cent levy but also carry the agreed cost of manning American Rapiers in the United Kingdom;

ii. that they had agreed on further thought being given to the timetable, in the light of the risks of leakage if action were taken at the Venice Summit a 7 and of the problem posed by the timing of Chancellor Schmidt's visit to Moscow;

iii.

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3. I agreed with Mr Aaron that we would aim to finalise the Polaris replacement negotiations in Washington on 10th June.

The upshot of both sets of negotiations would need to be subject to final approval by Ministerial principals.

4. I told Mr Aaron that the draft Exchange of Letters had now been approved by the Prime Minister and her relevant colleagues.



5. On the timetable for the Exchange, I explained the Prime Minister's doubts about using Venice as the occasion either for giving the President her letter or for telling certain others what was afoot. She would prefer to send her letter by emissary just after Venice (the President will be back in Washington by 26th June); to inform President Giscard and Chancellor Schmidt by emissaries at the same time; and to inform the Italian Prime Minister only at the last moment before publication. Mr Aaron agreed to recommend this to the President and let me know the upshot next week. He also made the following points.

a. Because of Chancellor Schmidt, who arrives in Moscow on 30th June and leaves on 1st July, the Americans would like to publish the Exchange of Letters on Thursday, 3rd July (rather than 1st July). They are confident, but will confirm, that this will not endanger the Congressional timetable. I said that, provided the Congressional point was confirmed, I would expect the Prime Minister to welcome this, since it would enable her to inform her Cabinet at a routine meeting that morning.

b. The Americans were unable to decide which would be worse: to tell Chancellor Schmidt just before he went to Moscow, or just after. They were inclined to tell him just after, as the lesser evil. I said I thought we would strongly favour telling him before (in strict confidence). He would feel that we had been holding out on him if we waited till after. Mr Aaron seemed ~~inclined~~ to agree with this but will need to consult the President.

c. If President Giscard and Chancellor Schmidt are to be told by emissaries, post-Venice, the Americans would like the British and United States emissaries to co-ordinate the operation closely. Ideally, they should act jointly in each case; or, failing that, on an agreed timetable with the American acting only a few hours after the Briton. I said I thought we would prefer the latter.

d. Since the Americans would want to send the same emissary to both Paris and Bonn, they would want action taken seriatim in the two capitals rather than simultaneously. I said I thought we would prefer to synchronise action in Paris with action in Bonn; otherwise, the one we told first would have rung up the other before we got there. But

? Sir N. Henderson

? accompanied by  
Sir O. Wingfield &  
Sir R. Lubbock.



if we did agree to seriatim action, I was sure we would prefer to go to Paris first, given France's nuclear status; if President Giscard first heard via Chancellor Schmidt it would be worse than the other way round. Mr Aaron agreed with this order but stuck to his preference for seriatim action.

6. My comments at a - d above were based on, or confirmed by, consultation with Sir Michael Palliser, whom I was able to talk to in Paris between my two meetings with Mr Aaron.

7. I recommend that on these four points my instructions for further negotiations in Washington next week should be as follows.

*Ahead*  
a. We should agree to publication on 3rd July, provided it is confirmed that this poses absolutely no danger to the Congressional timetable, but not otherwise.

*Ahead*  
b. We should insist that Chancellor Schmidt be told shortly before, rather than just after, his visit to Moscow.

*Ahead*  
c. We should <sup>①</sup>continue to press for action vis-a-vis President Giscard and Chancellor Schmidt to be taken by the British and American emissaries separately, although on a closely co-ordinated basis.

*Ahead*  
d. We should continue to argue that the British intention (and subsequently the American intention) should be presented to President Giscard's office at the same time as to Chancellor Schmidt's office; but we should not insist on this if the Americans press strongly for seriatim presentation, although in that case we should insist on Paris coming before Bonn.

*MT*  
8. Perhaps you could kindly let me know whether the Prime Minister agrees with these recommendations.

9. I warned Mr Aaron that, though we were content for detailed technical and financial negotiations to follow publication of the Exchange of Letters, we should want in Washington next week to agree on certain general reassurances relating to the charges which the Americans would make for the missiles,



related equipment, support facilities, administration, special nuclear materials, etc. We needed to be able to deal with potential parliamentary and public criticism that we had put ourselves over a barrel by agreeing to purchase something without knowing ~~even~~ its approximate price. Mr Aaron said that he would need to look into this. But he saw our point; and since it was not in fact the American intention to take us for more than would have been appropriate under the Polaris Sales Agreement (except as regards its much-criticised R and D levy provisions) he thought it should be possible to work out something which would satisfy us. To a considerable extent, indeed, he hoped that in the detailed negotiations it would simply be possible to use the text of the Polaris Sales Agreement, mutatus mutandis, as the basis of the future Trident Sales Agreement.

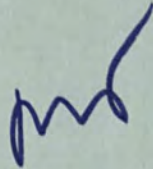
10. I told Mr Aaron that we might want to publish, on 3rd July, a detailed paper analysing the reasons for our choice. But we had not yet decided on this, so I was not in a position to show him a draft.

11. I am keeping the Ministry of Defence and the Foreign and Commonwealth Office informed.

R L WADE-GERY

5th June 1980

c Sir Robert Armstrong



CONFIDENTIAL

jfh

*Daknee*

MR WRIGHT

Thank you for your minute (ref. AO2252) about the timing of MISC 7.

The Prime Minister has now agreed that the meeting should take place at 10 a.m. on Monday 2 June. I would be grateful if you could now confirm this arrangement with the participants.

MAP

30 May 1980

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*TR.*



MINISTRY OF DEFENCE  
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-230 2222 218 2111/3

MO 18/1/1

Prime Minister -

Agree to:-

(i) an in-house document *Yes*

2nd June 1980

(ii) the publication of the  
Exchange of Letters with  
President Carter as a  
White Paper? *Yes mt.*

Dear Clive,

*the 3rd*

My Secretary of State hopes to circulate next week, after his return from Norway, the draft of a public document on the subject matter discussed at the Prime Minister's 10.00 am meeting this morning. He would propose to circulate the text simply to the Ministers present at that meeting.

One point arising, however, on which he has asked me to seek the Prime Minister's views in advance of the circulation of a text, is the form the public document should take. My Secretary of State would ideally have wished to publish a White Paper, but has concluded that this may not be practicable since he considers that the document should be available on the day of an announcement and he does not think (given the sensitivity of the subject matter) that a White Paper could be safely sent to a printer in advance of the announcement, whereas an "in-house" document - which might be circulated as a departmental memorandum provided under the "Open Government" policy - could be securely reproduced within the Ministry of Defence. If this option were adopted, it is suggested that the proposed Exchange of Letters between the Prime Minister and the President should themselves be printed as a White Paper following upon the Prime Minister's Statement to the House of Commons.

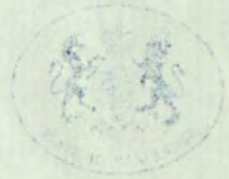
If the Prime Minister feels strongly one way or the other my Secretary of State would be most grateful for advice. What is said in the document will not, of course, be affected by its form.

*Your ever  
Bour*

(B M NORBURY)

C A Whitmore Esq

MINISTRY OF DEFENCE  
MAIN BUILDING WHITEHALL LONDON SW1  
Telephone 01700000-012 2111 13



*Lord ...*

17th June 1950

*(1) ...*  
*(2) ...*  
*(3) ...*  
*(4) ...*

The Secretary of State has received a letter from ...  
dated ... and has considered the same.

The Secretary of State has also received a letter from ...  
dated ... and has considered the same.

3 JUN 1950

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The Secretary of State has also received a letter from ...  
dated ... and has considered the same.

The Secretary of State has also received a letter from ...  
dated ... and has considered the same.

The Secretary of State has also received a letter from ...  
dated ... and has considered the same.



TOP SECRET

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10 DOWNING STREET

*From the Private Secretary*

MR. WADE-GERY

POLARIS REPLACEMENT

The Prime Minister has seen your minute to me of 5 June on this subject. She has agreed the recommendations in paragraph 7 of that minute. She has also said that she would like her message to President Carter to be delivered, when the time comes, by Sir N. Henderson.

We also agreed earlier today that consideration should be given to the proposal that the emissary (or emissaries) to President Ciscard and Chancellor Schmidt should be accompanied by Sir R. Hibbert and Sir O. Wright respectively.

I am sending a copy of this minute to Sir Robert Armstrong.

M. O'D. B. ALEXANDER

9 June 1980

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SS  
ccCO

Defence



TLR

**TOP SECRET**

*Photocopy No. 2*

Text of a message from Robert Armstrong to David Aaron dated 24th May.

I understand that Harold Brown will be in London on Monday 2nd June and that he is to see the Prime Minister that afternoon.

I hope that it will have been possible by then for Ministers to have considered the points you discussed with Frank Cooper and me on Sunday 18th May. I intend then to send you a message following up our conversation on 18th May. It would be helpful for us to know whether Harold Brown will raise this subject when he sees the Prime Minister, in addition to the other defence and security issues he will no doubt be raising.

I shall be away over the next few days (although I will be back by 2nd June). Perhaps you could send a message to Robert Wade-Gery to let him know what you think about this so that the necessary briefing can be put in hand.

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Text of a message from David Aaron to Robert Wade-Gery dated 29th May

This is to confirm that Harold Brown will be prepared to discuss Polaris improvement programme issues when he meets with the Prime Minister next week.

Glad to have you back on deck and hope you are feeling fine.

Warm Regards.

SECRET



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Defence

10 DOWNING STREET

*From the Principal Private Secretary*

4 June 1980

*Dear Brian,*

Thank you for your letter of 2 June about the draft of a public document which the Ministry of Defence is at present preparing.

I have consulted the Prime Minister, and she agrees that the document should be an "in-house" one which can be securely reproduced within the Ministry of Defence. She also agrees that her Exchange of Letters with President Carter should be published as a White Paper following her statement in the House.

I am sending a copy of this letter to David Wright (Cabinet Office).

*Yours sincerely,*

*Alvin Whinn.*

B.M. Norbury, Esq.,  
Ministry of Defence.

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