

Defence

Ref: B06761

PRIME MINISTER

c Sir Robert Armstrong

Statement on the Defence Estimates 1983

BACKGROUND

The draft White Paper which the Defence Secretary has circulated as OD(83) 5 follows the pattern established over the past three years. As the Defence Secretary says, it is a general review of our defence effort rather than a major new statement of policy. Its main themes are the case for NATO's policy of nuclear deterrence and for the multilateral approach to arms control and disarmament. It starts with a chapter covering developments in East-West relations, progress in the various arms control negotiations and the role of United Kingdom forces. Chapter 2 then describes NATO's nuclear forces with particular emphasis on intermediate range nuclear forces (INF) modernisation. The remaining chapters cover equipment, the military balance between NATO and the Warsaw Pact, financial and organisational matters, and the relationship between the services and the community. A corrigendum amending paragraphs 502 and 503 has been circulated following discussion between the Treasury and the Ministry of Defence: these paragraphs are now agreed by both Departments. The volume of statistics is being circulated separately.

2. I understand that the Defence Secretary intends to publish in mid-May.

3. The Minister of State, Department of Industry (Mr Lamont), in the absence abroad of the Secretary of State, and the Chief of the Defence Staff have been invited: the Chancellor of the Exchequer is unable to be present as he will be away at a Finance Ministers' Meeting in Luxembourg. The Chief Secretary, Treasury, will attend.

HANDLING

4. You should invite the Defence Secretary to introduce the draft White Paper, and then invite general comments, particularly from the Foreign and Commonwealth Secretary and the Chief Secretary, Treasury.

5. The draft White Paper contains a paragraph (210) dealing with the control of United States nuclear weapons based in this country, which appears in square brackets. I understand that the Ministry of Defence have shown this paragraph to the Americans, who have objected to some of the proposed language. Meanwhile you have sent President Reagan a personal message on this issue. It would be best to avoid substantive discussion in the Committee: you might inform them that the Government is engaged in consultations with the Americans about what might be said in public, and that meanwhile it would be better if this paragraph were omitted from the White Paper.

6. The Committee will wish to focus particularly on the passages dealing with nuclear weapons and arms control, especially the essays inserted in the text on NATO strategy (pages 1-11 to 1-15) and on nuclear disarmament (pages 2-10 to 2-15). Other passages of general interest are those dealing with activities outside the NATO area (paragraphs 340 and 341) the Falklands garrison (paragraphs 343 and 343) and the essay on United States forces in the United Kingdom (pages 3-22 to 3-25): in this latter essay there is an important paragraph (paragraph 7) dealing with the argument that the presence of American forces in this country increases our chances of becoming a target in war. It could be argued that the language rather overstates the chances of Britain being a target when it says that it would be a target "in any conceivable conflict affecting Western Europe". There is no doubt that the presence of United States bases here increase the number of targets which would be attacked in all out war: the point to get across is, of course, that the presence here of United States forces reduces the risk of any form of war breaking out. To make this clear, it might be worth adding a sentence at the end of paragraph 8: "So far from putting the United Kingdom at greater risk, the presence here of United States forces is a vital element in ensuring that war does not break out".

7. Chapter 4, on the military balance, includes a paragraph (402) dealing with Soviet military expenditure. The second sentence says that "since 1970 this has risen by an average of 4 per cent a year in real terms". The intelligence evidence now suggests that this figure is too high, and there were press leaks in Washington a few weeks ago to the effect that the CIA had recently revised its figures for the growth

Can we get away with saying nothing? You may wish to consider again, in a smaller meeting, when we have the President's reply.

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rate in Soviet defence expenditure downwards, and now believed that in recent years it had not exceeded 2 per cent. The JIC will be considering a fresh assessment shortly. Four per cent is, however, still the current agreed NATO figure, and paragraph 402 would be accurate if it were amended to read "NATO's current estimate is that since 1970 this has risen by an average of 4 per cent a year".

CONCLUSION

8. Subject to the discussion, the Committee might be guided to agree that the White Paper, taking account of any points made in discussion, should be circulated to the Cabinet for discussion on 28th April and thereafter, subject to Cabinet agreement, published in mid-May.

14th April 1983

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