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PRIME MINISTER

HARM AND ALARM

I attach a minute from the Defence Secretary to the Chief Secretary which conveys his decision to buy ALARM and his intention, unless he hears to the contrary before then, to announce his decision to the press next Monday, 16 May.

I also attach a minute from the Chief Secretary who disagrees with Mr. Heseltine. A further minute by Roger Jackling is attached.

You should know that John Peyton rang me and Ian Gow this morning to express concern that, according to his information, a decision had been made to choose ALARM. I attach at Flag A a copy of his letter to Mr. Heseltine which sets out his arguments. John Peyton asked whether he and the Chairman of Lucas could call on you to discuss this matter. Ian Gow told him that it would be better if he could put his views on paper. I think it would be difficult for you to receive him but not the supporters of ALARM - and you hardly have time to do this.

This is a major decision which will have important defence implications for many years. I am impressed by the fact that the RAF prefer HARM. I wonder whether it is wise to rush this decision through in time for a press announcement on Monday. Would you like to consider the issue over the weekend and perhaps discuss it either at a special meeting early next week or at Cabinet on Tuesday if you have a Cabinet?

Handwritten initials

A.J.C.

9.400.

11 May 1983

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cc Sir Anthony Parsons ^{1B}

MR. COLES

A DEFENCE SUPPRESSION WEAPON FOR THE RAF

I have now seen Mr. Heseltine's minute of 10 May, and the attached paper setting out the considerations affecting the choice between HARM and ALARM.

A defence suppression weapon will be crucial to the effectiveness of the RAF's Tornado GR1 aircraft in attacks particularly against enemy airfields for which it will be equipped from 1985 with the runway cratering weapon JP233. The HARM and ALARM missiles are designed to destroy the radar installations upon which enemy defences depend to detect and acquire attacking aircraft. They will represent a great improvement over the US SHRIKE missile which the Prime Minister will recall we procured from the US during the Falklands conflict and employed - with mixed results - against Argentine radars around Port Stanley.

The Defence Secretary's paper makes clear that the choice between HARM and ALARM has been a difficult one. The considerations which will have influenced the RAF's preference for HARM are:-

- a. cost - it would be up to 70% cheaper than ALARM;
- b. availability - it could enter service in 1986, whereas ALARM could enter service a year later, and might slip a further two years;
- c. operational characteristics - HARM flies faster to the target thus reducing the vulnerability of the delivering aircraft;
- d. stage of development - HARM exists and is more of a known quantity than ALARM which exists only on paper.

Of these the first two are the important considerations, and I believe (b) has weighed most heavily with the RAF. If they have to wait for

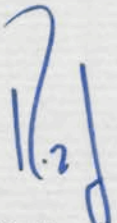
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ALARM there could be a period of two or three years when Tornado will be extremely vulnerable in one of its major roles to the increasing sophistication of Warsaw Pact air defences.

There are, of course, attractions in buying British. ALARM certainly represents the best and most immediate opportunity for MSDS to maintain its expertise in this field, although I understand that other opportunities may arise later. The US Congress is making it increasingly difficult for British defence equipment to penetrate the US market, even without the excuse, which this decision might seem to provide, that we ourselves are unwilling to consider US systems objectively and equally in competition with British. Furthermore, ALARM does hold out the possibility of a more sophisticated capability against certain possible refinements of Warsaw Pact air defence, although the US are likely, I should have thought, to make the necessary improvements to HARM or a successor, if these refinements materialise.

I have not, of course, been privy to the discussions in MoD which have resulted in the Defence Secretary's decision, but I have no doubt that it has been difficult to weigh the various factors. I am bound to say, however, that 70% seems a very large premium to pay for buying a British system which suffers from other important disadvantages. It seems to me relevant that 95% of the British Armed Forces' current equipment is either home produced or produced in collaboration with allies. The purchase of HARM would not, therefore, bring import penetration in this field to disturbing levels.


R.T. JACKLING
11 May 1983