



Foreign and Commonwealth Office

London SW1A 2AH

29 June, 1983

Prime Minister

John Deane

A Defence Suppression Weapon for the RAF

At their last meeting to consider this question on 16 June, Ministers invited the Foreign and Commonwealth Secretary to obtain the advice of our Ambassador in Washington on how best to explore the possibility of improved terms for a purchase of HARM, including Marconi's participation in an American advanced homing-head programme. We have accordingly been in touch with the Embassy in Washington, in terms agreed with MOD officials. I enclose a copy of our telegram, and of Washington's reply. Ministers will no doubt wish to have these documents before them when they meet in OD on Thursday 30 June for further consideration of this subject.

I am sending copies of this letter and enclosures to the Private Offices of members of OD, and to PS/Sir Robert Armstrong.

(R B Bone)  
Private Secretary

A J Coles Esq  
Private Secretary  
10 Downing Street

GPS 1000

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FROM WASHINGTON 262030Z JUN 83

TO IMMEDIATE F C O

TELEGRAM NUMBER 1768 OF 26 JUNE

INFO IMMEDIATE MODUK (PS/S OF S, PS/MINISTER (OP), PS/PUS,  
PS/CDP, MA/DCDS, PS/CA, PS/VCAS, D(ACRT), DUS(P), DUS(POL)PE,  
HDS, DCWL, AUS(RP), RMD3, DS3A).

YOUR TELNO 1013: ANTI-RADAR MISSILE.

1. OUR ASSESSMENT OF THE POINTS IN PARA 3 OF YOUR TELEGRAM UNDER REFERENCE (BASED IN PART ON DISCUSSION WITH THE OFFICE OF THE UNDER SECRETARY OF DEFENCE FOR RESEARCH AND ENGINEERING) IS AS FOLLOWS:-

(A) OUSDR AND E ARE STRONGLY IN FAVOUR OF DEVELOPING A CHEAPER, SMALLER, AND MORE EFFECTIVE SEEKER HEAD. THIS VIEW IS NOT UNIVERSALLY SHARED, HOWEVER, AND THE NAVY ARE OPPOSED TO THE PROJECT. EVEN IF IT WERE AGREED THAT THERE WAS A REQUIREMENT FOR AN IMPROVED SEEKER HEAD, NO REQUEST FOR PROPOSALS WOULD BE ISSUED IN LESS THAN THREE TO SIX MONTHS:

(B) OUSDR AND E INSIST THAT ONLY AN IMPROVED SEEKER HEAD IS BEING CONSIDERED. THERE ARE NO PLANS AT PRESENT TO DESIGN A NEXT GENERATION OF WEAPONS:

(C) IF WE DID NOT BUY HARM, THERE WOULD BE VIRTUALLY NO CHANCE OF MARCONI PARTICIPATING IN THE PROGRAMME:

(D) IF WE DID BUY HARM, THERE WOULD BE SOME PROSPECT OF A ROLE FOR MARCONI BUT ONLY IF THEY HAD SOMETHING SIGNIFICANT TO OFFER. OUSDR AND E WOULD BE LIKELY TO LOOK MORE FAVOURABLY ON MARCONI'S INVOLVEMENT THAN THE US NAVY. WE JUDGE IT HIGHLY UNLIKELY THAT MARCONI WOULD BE ABLE TO BID FOR THE DEVELOPMENT PROGRAMME THOUGH THEY MIGHT BE ABLE TO OBTAIN A SUPPORTING ROLE:

(E) THE NATURE OF THE SYSTEM HERE AND THE STRENGTH OF CONFLICTING INTERESTS AND PRESSURES MAKE IT VIRTUALLY IMPOSSIBLE TO OBTAIN THIS TYPE OF ASSURANCE.

2. AS REGARDS IMPROVED TERMS FOR HARM, OUSDR AND E SAID THAT WE SHOULD BE ABLE TO HAVE ALL THE INFORMATION WE NEED FOR OPERATIONAL PURPOSES BUT WE WOULD NOT GET SUFFICIENT INFORMATION TO ENABLE US TO MANUFACTURE THE SYSTEM OURSELVES.

3. OUSDR AND E SAID THAT IT WAS UNLIKELY THAT THE UK COULD BECOME A SECOND SOURCE FOR HARM. (THE PRESENT DOD POSITION IS THAT THERE WILL BE NO SECOND SOURCE, THOUGH CONGRESS IS ARGUING THAT THERE SHOULD BE). THEY DID SAY THAT THERE WOULD BE NO OBJECTION TO UK FIRMS BEING SUB-CONTRACTORS TO TI FOR THE US HARM PROGRAMME. THEY ALSO ASKED IF THERE WAS ANY CHANCE OF CO-OPERATION BETWEEN TI AND MARCONI: OR OF HMG BUYING HARM AND FUNDING R AND D WORK WITH MARCONI SEPARATELY.

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4. IN THE CONTEXT OF WORKING WITH MARCONI WE ASKED ABOUT MARCONI HAVING ACCESS TO SUCH BASIC THREAT DATA AS WERE ESSENTIAL FOR SEEKER HEAD WORK. OUSDR AND E WERE EQUIVOCAL THAT THERE WOULD BE SOME DIFFICULTIES, UNLESS MARCONI HAVE SOMETHING OUTSTANDING TO OFFER.

5. IN ESSENCE, THEREFORE, YOUR VIEW OF THE DIFFICULTIES WE FACE IS CORRECT. THEY MIGHT NOT BE INSUPERABLE IF THE ADMINISTRATION WISHED TO OVERCOME THEM. ALTHOUGH WE HAVE NOT SPOKEN TO THEM, TI MIGHT TAKE A MORE POSITIVE VIEW. THE SALE OF HARM TO THE UK WOULD BE AN IMPORTANT BREAKTHROUGH INTO THE EUROPEAN MARKET AND SHOULD HELP THEIR SALES EFFORT IN GERMANY AND ELSEWHERE.

6. OUR ASSESSMENT OF THE BROADER IMPACT OF A DECISION TO BUY ALARM REMAINS AS IN OUR TELNO 1346. SUCH A DECISION WOULD UNDERCUT THE ARGUMENTS WE ARE USING HERE IN OUR ATTEMPTS TO DEVELOP THE TWO WAY STREET. IT WOULD BE EXPLOITED BY LOBBYISTS FOR US FIRMS COMPETING AGAINST THE UK AND MAKE AN IMPACT ON PROTECTIONIST INTERESTS IN CONGRESS. IT WOULD ALSO BE DIFFICULT FOR OUR FRIENDS IN DOD TO ACCEPT. DE LAUER HAS BEEN REPORTED TO US AS SAYING THAT HE WOULD FIND IT INCOMPREHENSIBLE IF WE WERE TO GO FOR ALARM.

7. AGAINST THIS BACKGROUND WE BELIEVE THAT THE BEST WAY OF EXPLORING THE POSSIBILITY FOR IMPROVED TERMS FOR A PURCHASE OF HARM WOULD BE THROUGH AN APPROACH TO THAYER SETTING OUT PRECISELY WHAT OUR REQUIREMENTS ARE AND ASKING FOR AN EARLY ANSWER. IF THESE REQUIREMENTS INCLUDE DEVELOPMENT WORK FOR MARCONI, THEN WE SHOULD SUGGEST THAT THEY SHOULD COME OUT AND DEMONSTRATE WHAT THEY HAVE TO OFFER. THEY WILL BE FACED WITH A SCEPTICAL AUDIENCE BECAUSE MUCH WORK HAS ALREADY BEEN DONE IN THE US ON THIS AREA OF TECHNOLOGY BY A VARIETY OF INSTITUTIONS AND FIRMS.

8. IF OUR EVENTUAL DECISION SHOULD BE TO GO FOR ALARM, THE PRESENTATION WOULD BE EASED IF WE COULD DEMONSTRATE:-

A) ADEQUATE COST AND TECHNICAL CONSIDERATIONS JUSTIFYING SUCH A DECISION;

B) THAT A SERIOUS ATTEMPT HAD BEEN MADE BY MARCONI TO PARTICIPATE IN THE HARM PROGRAMME.

THIS WOULD ESTABLISH HOW SERIOUS A PROBLEM POSSIBLE US UNWILLINGNESS TO RELEASE TECHNICAL INFORMATION MAY TURN OUT TO BE.

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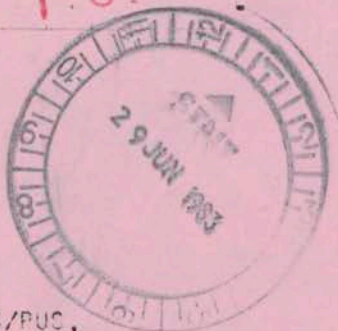
SIR J BULLARD

MR WRIGHT

MR CILMORE

[REPEATED AS REQUESTED]

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FM FCO 220919Z JUNE 83

TO IMMEDIATE WASHINGTON

TELEGRAM NUMBER 1013 OF 22 JUNE

INFO IMMEDIATE MODUK (PS/S OF S, PS/MINISTER (OP), PS/PUC,  
PS/CDP, MA/DCDS, PS/CA, PS/VCAS, D(ACRT), DUS(P), DUS(POL)PE,  
HDS, DCAWL, AUS (RP), RMD 3, DS3A)

YOUR TELNO 1346: ANTI-RADAR MISSILE

1. MINISTERS MET AGAIN ON 16 JUNE TO DISCUSS THE CHOICE OF A DEFENCE SUPPRESSION WEAPON FOR THE RAF. THEY CONCLUDED THAT THEY WERE NOT READY TO TAKE A DECISION WHETHER TO PURCHASE HARM OR ALARM. MINISTERS ARE EXPECTED TO CONSIDER THE SUBJECT AGAIN ON 30 JUNE. IT IS CLEAR THAT A KEY FACTOR IN THE DECISION WILL BE THE PROSPECT OF RETAINING A TECHNOLOGICAL CAPABILITY IN THIS AREA IN THE UK: IN THE ABSENCE OF ALARM MARCONI WOULD LACK THE LEVEL AND QUALITY OF DEVELOPMENT WORK NEEDED NOW TO ADVANCE OUR CAPABILITIES. IN ORDER TO ASSIST THEM IN THEIR CHOICE, MINISTERS WISH TO HAVE A MORE AUTHORITY ASSESSMENT OF THE PROSPECTS OF OBTAINING BETTER TERMS FROM THE US FOR A PURCHASE OF HARM, INCLUDING PARTICIPATION BY MARCONI IN A US ADVANCED HOMING HEAD PROGRAMME. MINISTERS THEREFORE DECIDED TO SEEK YOUR ADVICE ON HOW BEST TO EXPLORE THE POSSIBILITY OF IMPROVED TERMS FOR A PURCHASE OF HARM.
2. MINISTERS HAD BEFORE THEM ON 16 JUNE AN ASSESSMENT FROM MR HESELTINE OF THE SUGGESTION IN PARAGRAPH 6 OF YOUR TUR. THE MAIN CONCLUSIONS OF THIS ASSESSMENT WERE AS FOLLOWS. WHILE MOD UNDERSTOOD THAT THE US HAD DECIDED IN PRINCIPLE TO DEVELOP AN IMPROVED SEEKER HEAD, MUCH DEPENDED ON THE PRECISE NATURE AND TIMING OF THE IMPROVEMENTS WHICH THE USAF AND USN WOULD WANT. CLOSER DEFINITION WOULD BE NECESSARY BEFORE WE COULD BE CERTAIN THAT THIS PROGRAMME COULD PROVIDE DEVELOPMENT WORK OF A TYPE AND SCALE WHICH WOULD SUIT MARCONI'S NEEDS. MORE SIGNIFICANTLY, TECHNICAL PROBLEMS COULD BE EXPECTED TO ARISE IN ANY ATTEMPT TO INTEGRATE A BRITISH SEEKER HEAD INTO A US MISSILE. THESE PROBLEMS MIGHT NOT PROVE INSUPERABLE PROVIDED THERE WERE NO MAJOR COMMERCIAL AND POLITICAL OBSTACLES IN THIS HIGHLY COMPETITIVE AND SENSITIVE AREA OF ADVANCED TECHNOLOGY. UNFORTUNATELY, SUCH OBSTACLES WERE ALREADY EVIDENT, FOR EXAMPLE IN THE US GOVERNMENT STIPULATION THAT, WHETHER WE PROCURED HARM ON FMS TERMS OR THROUGH COPRODUCTION, WE WOULD BE ALLOWED TO OBTAIN THE SEEKER HEAD ONLY THROUGH GOVERNMENT CHANNELS AND WITH A MINIMUM KNOWLEDGE OF ITS INTERNAL WORKINGS (US MANUFACTURE MEANS US REPAIR). MR HESELTINE CONCLUDED THAT IT WAS OPEN TO QUESTION WHETHER A UK PURCHASE OF HARM WOULD BE SO IMPORTANT FOR THE US GOVERNMENT OR FOR TEXAS INSTRUMENTS AS TO INDUCE THE US TO ADOPT A MORE ENCOURAGING STANCE. GIVEN THE IMPORTANCE OF THE TECHNOLOGY

TO THEM AS MUCH AS TO US, WE WOULD NEED TO EXERT CONSIDERABLE PRESSURE TO GET THEM TO CONSIDER THE POSSIBILITY OF A UK SOURCE FOR AN IMPROVED HARM SEEKER HEAD. EVEN THEN WE COULD NOT EXPECT MARCONI TO BE GIVEN MORE THAN THE OPPORTUNITY TO COMPETE WITH US FIRMS: THERE COULD BE NO GUARANTEE THAT THEY WOULD SUCCEED IN SUCH A COMPETITION. MEANWHILE, WE WOULD HAVE TO CONSIDER HOW MUCH FINANCIAL AS WELL AS DIPLOMATIC SUPPORT MARCONI MIGHT NEED IN THEIR COMPETITIVE EFFORTS, INCLUDING SUPPORT BETWEEN NOW AND SUCH TIME AS THERE WAS A US COMPETITION FOR THEM TO ENTER. UNLESS THESE EFFORTS WERE SUCCESSFUL WE WOULD STILL FACE VERY SERIOUS DIFFICULTIES OVER MAINTAINING MARCONI'S SEEKER HEAD AND GUIDANCE CAPABILITY.

3. YOUR ADVICE MIGHT USEFULLY INCLUDE AN ASSESSMENT OF THE FOLLOWING POINTS:

- (A) THE LATEST POSITION ON THE PRESENT US HARM PROGRAMME PARTICULARLY AS REGARDS PROPOSALS TO DEVELOP AN IMPROVED SEEKER HEAD (WHICH WE BELIEVE THE USN MAY WANT):
  - (B) THE NATURE, SCALE AND TIMESCALE OF AN IMPROVEMENTS PROGRAMME FOR THE NEXT GENERATION OF WEAPONS (FOR USN AND/OR USAF):
  - (C) THE SCOPE FOR MARCONI PARTICIPATION IN AN IMPROVEMENT PROGRAMME, ((A) AND/OR (B) ABOVE) EVEN IF WE DO NOT BUY HARM:
  - (D) WHETHER AND TO WHAT EXTENT A UK DECISION TO PURCHASE HARM WOULD ENABLE US TO PRESS FOR GREATER MARCONI PARTICIPATION THAN THEY COULD OTHERWISE OBTAIN, AND IF SO, ON WHAT BASIS. WE WOULD REQUIRE USG ASSURANCES THAT MARCONI WOULD BE GUARANTEED THE OPPORTUNITY TO COMPETE ON A FAIR BASIS, INCLUDING THE PROVISION TO THEM OF SUFFICIENT TECHNICAL INFORMATION TO ENABLE THEM TO MAKE A REALISTIC BID. THIS WOULD NEED TO INCLUDE INFORMATION ON US OPERATIONAL REQUIREMENTS IN THE LIGHT OF THE PERFORMANCE OF HARM, AS WELL AS ON CHARACTERISTICS OF THE MISSILE(S) WITH WHICH A MARCONI PROPOSED HEAD WOULD NEED TO BE INTEGRATED. IS THERE A REALISTIC PROSPECT OF A COLLABORATIVE PROJECT UNDER WHICH THE UK (MARCONI) WOULD BE ALLOCATED THE HEAD AS PART OF A GOVERNMENT WORK SHARING DEAL?
  - (E) THE PROSPECTS OF OBTAINING SUITABLE AND FIRM ASSURANCES FROM THE USG, TAKING ACCOUNT OF ANY DIFFICULTIES WHICH COULD BE MADE IN CONGRESS OR BY US INDUSTRY:
  - (F) IF YOUR ANSWERS TO (D) AND (E) ARE POSITIVE, HOW LONG DO YOU BELIEVE IT MIGHT TAKE TO SET UP SUCH ARRANGEMENTS?
4. IF YOU THINK IT WOULD BE HELPFUL, WE WOULD SEE NO OBJECTION TO YOUR APPROACHING US GOVERNMENT AND OTHER SOURCES FOR ASSISTANCE IN ANSWERING THESE POINTS BUT YOU SHOULD OF COURSE EMPHASISE THAT NO DECISION HAS YET BEEN TAKEN.
5. WE SHOULD ALSO WELCOME ANY POINTS YOU MAY WISH TO ADD TO THE ADVICE IN YOUR TUR ABOUT THE LIKELY IMPACT OF A DECISION TO BUY ALARM ON OUR WIDER DEFENCE SALES AND OTHER DEFENCE INTERESTS IN

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THE US. IN THE EVENT THAT THE DECISION SHOULD GO THAT WAY,  
WE SHOULD ALSO VALUE YOUR FURTHER ADVICE ON PRESENTATION. WE  
PRESUME THAT, WHILE WE MAY BE ABLE TO EXPLAIN TO THE US  
ADMINISTRATION THE REASONS FOR A DECISION IN FAVOUR OF ALARM,  
THE REAL PROBLEM WILL BE WITH CONGRESS, WHOSE INFLUENCE ON  
DECISIONS AFFECTING THE PROCUREMENT OF BRITISH EQUIPMENT MAY  
BE EVERY BIT AS IMPORTANT AS THAT OF THE US ADMINISTRATION.  
6. WE SHOULD BE GRATEFUL FOR YOUR REPLY BY 0900Z ON MONDAY, 27  
JUNE.  
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AS/MR LUCE  
PS/AUS  
SIR J BULLARD  
MR WRIGHT  
MR GILLMORE

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