

FCS/83/134

SECRETARY OF STATE FOR DEFENCE

Defence Suppression Weapon for the Royal Air Force

- 1. Thank you for sending me a copy of your minute of 15 July to the Prime Minister. I understand that Cabinet discussion has now been postponed until 26 July in order to give Sir Robert Armstrong the opportunity to update his note of 13 July (C(83)22) to take account of the points in your minute.
 - 2. Meanwhile, you may have seen a copy of Washington telegram No 2009 of 15 July (attached for ease of reference). This suggests that we need to decide quickly whether to ask the Embassy to confirm with the Pentagon the US Administration's approval of the technological aspects of Texas Instruments' additional offer; and whether a UK team with industrial participation should go to Washington to explore the scope for collaboration with Texas Instruments on the HARM programme.
 - 3. I understand that on the first point you are already content with the assurances given orally by the US Administration. It seems to me that the second point is of some importance for two reasons. First, the decision of both Texas Instruments and the US Administration to extend the scope of their offer

/on HARM

SECRET



on HARM to include some British participation in the Seeker Head may indicate readiness to go further in this direction. I note your conclusion that the additional Lucas/Texas Instruments options, as at present offered, do not appear particularly attractive. But perhaps we should not exclude the possibility of being able to negotiate further concessions which might meet a subtantial amount of our requirements on technology, although I acknowledge that this would represent a major change of position on the Americans part. My second point is a presentational one. By taking the steps which the Embassy recommend, we would be putting the onus on the Americans. If they then fail to come up with the goods, we should then be better placed to justify a decision favouring ALARM.

- 4. I hope therefore that you can agree to send a UK team on the lines suggested in the Washington telegram to pursue these points with the Americans. It would be a pity if we lost this opportunity of exercising leverage on both the US companies and the Administration. I appreciate that time is short, but I think if possible we should aim to do this in time to report the results to Cabinet on 26 July. I should be grateful for your views as soon as possible.
- 5. I am sending copies of this minute to the Prime Minister, to other members of the Cabinet and to Sir Robert Armstrong.

(GEOFFREY HOWE

Foreign and Commonwealth Office
19 July 1983

GPS 250 CONFIDERTIAL FM WASHINGTON 151655Z TO IMMEDIATE F C O TELHO 2009 OF 15 JULY 1983, AND TO MODUK (FOR PS/S OF S: PS/MR PATTIE: PS/PUS: CDP, CA AND COSSEC1. MY TELS NO 1876, 1920 AND 1966: HARM/ALARM 1. IN VIEW OF THE APPROACH FROM TEXAS INSTRUMENTS REPORTED IN MY TELEGRAM 1966 WE NEED TO DECIDE QUICKLY: (A) WHETHER YOU WISH US NOW TO CONFIRM WITH THE PENTAGON US APPROVAL OF TEXAS INSTRUMENTS! OFFER TO PASS TO US FULL SPECIFICATIONS OF THE SEEKER HEAD TECHNOLOGY TO PERMIT THE QUALIFICATION OF A BRITISH SOURCE FOR THEIR MANUFACTURE. VEREAL AUTHORITY FROM THE ASSISTANT SECRETARY (NAVY) FOR THE RELEASE TO US OF THIS TECHNOLOGY HAS ALREADY BEEN OBTAINED BY TI AND NOTIFIED TO CONTROLLER (AIR). (3) WHETHER YOU WISH TO SEND A UK TEAM WITH INDUSTRIAL PARTICIPATION TO EXPLORE WITH DOD AND TEXAS INSTRUMENTS HOW MUCH BUSINESS A UK SOURCE, EG MARCONI, MIGHT HOPE TO DERIVE FROM COLLABORATION WITH TEXAS INSTRUMENTS ON THE HARM PROGRAMME. 2. TEXAS INSTRUMENTS ARE OF COURSE MAKING THIS OFFER IN AN ATTEMPT TO HEAD OFF A DECISION IN FAVOUR OF ALARM. BUT THE OFFERS NOW RECEIVED SEEN WORTH EXPLORING DEFORE FINAL DECISIONS ARE TAKEN, THE NORE SO AS THE AMERICANS SEEM CONFIDENT THAT HARM IS FAR MORE LIKELY THAN TARM TO BE ACQUIRED BY OTHER NATO COUNTRIES. IF EXPLORATORY TALKS SHOULD INDICATE THAT TEXAS INSTRUMENTS AND THE US GOVERNMENT WOULD TRY TO STRIKE AN UNDULY HARD BARGAIN, WE SHOULD THEN BE WELL PLACED TO TAKE AND JUSTIFY A DECISION IN FAVOUR OF ALARM. THE LIKELIHOOD THAT WE MAY DECIDE IN FAVOUR OF ALARM, HOWEVER, HAS GIVEN US SOME LEVERAGE BOTH WITH US COMPANIES AND THE ADMINISTRATION. IN MY VIEW, WE SHOULD USE IT. WRIGHT MINIMAL DEFD MAD

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