

Prime Minister

The operational argument at X
seems conclusive.

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PRIME MINISTER

Agreed
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Agree, subject to colleagues, that the
above security should authorize the
purchase of the improved homing head
from France, subject to the French
assurances which he describes in para. 4.

PURCHASE OF SUPER ADAC HOMING HEAD FOR EXOCET

A.S.C. 27/2.

You will wish to know of the need, subject to the negotiation of certain assurances from the French Government, to place an order worth about £27 million with the French firm SNIAS for an improved homing head (known as 'Super ADAC') for the Royal Navy's Exocet missiles.

2. The operational case for Super ADAC is summarised at Annex. In brief Exocet is fitted to over 20 RN ships and is the Royal Navy's main anti-surface ship weapon. Most of the original homing heads have already been improved to a standard known as ADAC 16 (at present confined to NATO). Although superior to the basic ADAC which Argentina has, the ADAC 16 is itself increasingly vulnerable to countermeasures. If we are to maintain the effectiveness of the Exocet systems we already have there is no practical alternative to a purchase of Super ADAC. I am advised that a British substitute could only be developed at something like double the cost and after several years of delay.

3. The operational and procurement case is clear. But there could be presentational and political difficulties over this purchase if it becomes public knowledge, as it is likely to do. In particular it could re-open the topic of sales to Argentina of foreign armaments containing British components.

4. So far as the actual missiles themselves are concerned I understand that the French are prepared to assure us in secret that no Super ADAC will be sold outside NATO and to agree that we may say in public, if news of our Super ADAC purchase leaks, that we are buying Exocet



improvements to a unique British specification. We could thus meet any suggestion that we are assisting an improvement in Argentine capabilities.

5. So far as components are concerned certain parts of Super ADAC will be manufactured by British firms, as is the case with existing types of Exocet. There remains no prospect of securing an assurance from the French that British components supplied for Super ADAC will not under any circumstances reach Argentina. This stems from the terms of the original (1971) Memorandum of Understanding on Exocet which specifically commits us not to take steps to influence the eventual destination of British-made components incorporated in the missile. To date, as you know, the supply of British components in foreign arms sales to Argentina has been based on contracts entered into before the Falklands conflict. In the case of Exocet most of the pre-Falklands French contracts for supply to Argentina have now been completed and we can have some confidence that the British components supplied for Super ADAC would not be diverted to other purposes and hence find their way to Argentina.

6. But there can be no absolute guarantee. Neither will the French Government bind themselves to formally allowing no new contracts to Argentina in the long term, although in March the Elysee did inform the British Embassy in Paris in confidence that President Mitterand had decided to put off until after the Argentine elections (planned for October) a decision on whether to authorise new arms contracts.

7. There is some urgency attached to this purchase: first because we are hoping to negotiate it before a 1½% price increase comes into effect - this would cost an extra £350,000. Second, and more important, because delay would jeopardise our participation in a French trial programme in October this year which is intended to compare the performance of ADAC (which is what the Argentines have) and Super ADAC against electronic countermeasures. The results of these trials would be invaluable to us in the South Atlantic context.



8. Given that our ability to counter the Argentine missile threat has been substantially improved since the Falklands campaign and that there are strong operational grounds for improving the RN's capability in this area, my own inclination would be to go ahead with the purchase on as low-key a basis as possible, and to ride out any political fuss as best we can. But since this has been such a highly charged topic I thought it best to inform you and other OD colleagues, to whom I am copying this minute, before doing so. If there are no objections I would like to be able to authorise the purchase, and the necessary negotiations to secure the secret French assurances I have referred to by the end of this week.

W. J. P.

Ministry of Defence

19th July 1983

EXOCET MM38 HOMING HEAD IMPROVEMENT (SUPER ADAC) -
OPERATIONAL CASE

1. EXOCET MM38, our first generation of surface-to-surface guided weapon (SSGW), is widely fitted and provides the first line of anti-ship capability for units and groups operating away from air support. Because of its very low sea-skimming approach, EXOCET gives us a potent and reliable capability which has been a good return for our money since its introduction 12 years ago. The system, comprising 4 ready-to-fire missiles, is fitted in over 20 ships and this population will rise as more Type 22 Batch II's come into service. The other ship classes fitted with this system are Type 22 Batch I, Type 21, the Leander Batch II and III Frigates after modernisation refit and three County Class Guided Missile Destroyers.
2. Since the introduction of EXOCET, our improvements programme has featured one principal advance, the updating of the majority of the original homing heads (ADAC) to an improved standard (ADAC 16), achieved by straightforward modification of the original heads. The chief feature of ADAC 16 is its ability to reject chaff decoys, taking up to 6 seconds for each chaff bloom in its field of view. By comparison, SUPER ADAC is able to reject all chaff decoys in the whole of its search area in less than 1 second. In addition, the wholly new SUPER ADAC head has other sophisticated ECCM features and the facilities to present its target selection criteria and logic. SUPER ADAC is therefore a great advance over the ADAC 16 head and incomparably better than the original head.
3. In the out-of-area context, it should be noted that we have currently with ADAC 16, a lead over third-world EXOCETs which all have the older ADAC head. For the present, ADAC 16 is confined to NATO Navies. Failure to grasp the SUPER ADAC opportunity would allow potential third-world adversaries to equal our capability in future, when the ADAC 16 modification is sold outside NATO, possibly within 2 years, a timescale very close to our acquisition of SUPER ADAC. The French have a well-established policy, partly through self-interest, for the sanitisation of equipments for third-world sales. Equipment in their own service and offered to NATO is of a higher standard than that sold elsewhere. Improvements are not offered for sale to the third world until a further step has been made available inside NATO.
4. In the Soviet context, there is clear evidence that our SSGW effectiveness is being eroded by the Soviets' increasingly capable ECM outfits. The purchase of SUPER ADAC would quickly redress this balance and preserve in the near term the capability of our existing SSGW on which so much depends. Delay will place our forces at risk for an unnecessarily long period.
5. Though the intention is to procure a second-generation SSGW system for new classes of major surface warship (Batch 3 Type 22 and Type 23 Frigates), the foregoing military arguments show that it is also necessary to take early measures to

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maintain the viability of the existing SSGW in an increasingly difficult operational environment, without incurring the substantial cost of replacing the complete system.

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From the Private Secretary

22 July 1983

Dear Richard,

PURCHASE OF SUPER ADAC HOMING HEAD
FOR EXOCET

The Prime Minister has seen your Secretary of State's minute of 19 July.

Subject to the views of her colleagues, she agrees that the Defence Secretary should authorise the purchase of the improved homing head from France and should further authorise the necessary negotiations to secure the French assurances to which he refers in his paragraph 4.

I am copying this letter to the Private Secretaries of other members of OD and to Richard Hatfield (Cabinet Office).

Your own
John White

Richard Mottram, Esq.,
Ministry of Defence

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End