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S E C R E T SECTION 01 OF 04 LONDON 12712

MILITARY ADDRESSEES ALSO FOR POLADS

E.O.12356: DECL: OADR

TAGS: MARR, MCAP, MNUC, US, UK, PINR

SUBJECT: GEORGE YOUNGER'S SEASONED TEAM AT THE MOD AND

PENDING DEFENSE ISSUES WITH THE UK

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REF: A) LONDON 12510, B) LONDON 12618

- 1. SECRET ENTIRE TEXT.
- 2. SUMMARY:

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WITH THE REAPPOINTMENT OF GEORGE YOUNGER AS THE UK DEFENSE SECRETARY AND ONLY ONE CHANGE AT THE MOD'S JUNIOR MINISTERIAL LEVEL (IAN STEWART VICE JOHN STANLEY), WE EXPECT A CONTINUATION OF CLOSE COOPERATION WITH THE UK ON DEFENSE ISSUES. YOUNGER'S MOST PRESSING TASK WILL BE TO FIT THE BRITISH ARMED FORCES' MANY REQUIREMENTS INTO THE SPENDING CEILINGS THAT HAVE BEEN IMPOSED ON THE MOD. WHILE THE TORY CAMPAIGN THEME WAS THAT THE UK COULD MEET ALL CURRENT NATO MISSIONS WITH PLANNED DEFENSE SPENDING, YOUNGER IS NOW FACED WITH THE PRACTICAL TASK OF TRYING TO FIT SUCH MAJOR PROGRAMS AS THE EURO FIGHTER AND TWO ADDITIONAL AWACS INTO A FINANCIAL PLAN ALREADY STRAINED BY THE PERIOD OF PEAK SPENDING FOR TRIDENT.

- IN ADDITION TO THIS MAJOR CHALLENGE, HMG WILL HAVE TO FACE SEVERAL OTHER IMPORTANT DECISIONS SUCH AS THE MODERNIZATION OF UK NUCLEAR FORCES IN ACCORDANCE WITH THE MONTEBELLO AGREEMENT, AND THE POSSIBILITY OF DEPLOYING ADDITIONAL UK AND U.S. NUCLEAR FORCES IN BRITAIN SHOULD WE REACH AN INF AGREEMENT WITH THE SOVIETS.
- FOR OUR PART, WE WILL WANT TO GAIN UK SUPPORT FOR EXPANDED ALLIED MILITARY COOPERATION IN THE GULF AND FOR LOW COST MEASURES TO IMPROVE NATO'S CONVENTIONAL DEFENSE, AS WELL AS RESPOND TO UK PROPOSALS ON MARITIME RULES OF ENGAGEMENT (ROE). LASTLY, WE HAVE A RATHER LENGTHY LIST SECRET

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OF PENDING BILATERAL ISSUES CONCERNING THE BASING OF ADDITIONAL U.S. UNITS AND FACILITIES IN THE UK, AS WELL AS DEFENSE PROCUREMENT AND ARMS COOPERATION PROJECTS.

THE FOLLOWING IS OUR ASSESSMENT OF THE NEW GOVERNMENT'S MOD TEAM AND WHAT WE SEE AS THE PENDING ISSUES IN OUR DEFENSE RELATIONSHIP WITH THE UK. END SUMMARY.

YOUNGER RETURNS AND STEWART REPLACES STANLEY

3. IN WHAT WAS ONE OF THE CLOSEST CONTESTS OF THE GENERAL ELECTION, GEORGE YOUNGER WON HIS WEST SCOTTISH CONSTITUENCY OF AYR BY ONLY 182 VOTES OUT OF A TOTAL OF OVER 53,000 VOTES CAST. THIS WAS IN CONTRAST TO HIS ALMOST 8,000 MAJORITY IN THE 1983 ELECTION. THE CLOSE VOTE WAS THE RESULT OF THE CONSERVATIVES' DECLINE IN SUPPORT THROUGHOUT SCOTLAND, ALONG WITH TACTICAL VOTING BY SUPPORTERS OF THE SDP-LIBERAL ALLIANCE FOR YOUNGER'S

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LABOR PARTY CHALLENGER. IN ANY CASE, YOUNGER HUNG ON AND, AS EXPECTED, MRS. THATCHER ANNOUNCED HIS REAPPOINTMENT AS SECRETARY OF STATE FOR DEFENSE LATE ON JUNE 13.

4. ON JUNE 15 MRS. THATCHER ANNOUNCED THE APPOINTMENT OF THE REMAINDER OF HER GOVERNMENT. THE ONLY CHANGE AT THE MOD WAS THE APPOINTMENT OF IAN STEWART AS MINISTER OF STATE FOR THE ARMED FORCES REPLACING JOHN STANLEY, WHO BECOMES A MINISTER IN THE NORTHERN IRELAND OFFICE. STEWART SERVED AS PARLIAMENTARY PRIVATE SECRETARY TO GEOFFREY HOWE WHEN HE WAS CHANCELLOR OF THE EXCHEQUER AND, FOR TEN MONTHS IN 1983, AS MOD UNDER SECRETARY FOR PROCUREMENT. HE WAS THEN APPOINTED ECONOMIC SECRETARY TO

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S E C R E T SECTION 02 OF 04 LONDON 12712

MILITARY ADDRESSEES ALSO FOR POLADS

E.O.12356: DECL: OADR
TAGS: MARR, MCAP, MNUC, US, UK, PINR
SUBJECT: GEORGE YOUNGER'S SEASONED TEAM AT THE MOD AND
THE TREASURY, WHERE HE HAS SERVED UNTIL NOW.
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5. A FORMER MERCHANT BANKER AND AUTHORITY ON SCOTTISH MEDIEVAL COINAGE (FOR WHICH HE WAS ELECTED A FELLOW OF THE BRITISH ACADEMY), STEWART HAS BEEN DESCRIBED IN THE PRESS AS "MODERATE, MODEST, AND LIKEABLE," AND "RATHER CHURCHY, HIGH CAMBRIDGE-CLASSICIST PURITY AND ANTIQUARIAN MANNER." MOD COLLEAGUES TELL US HE IS CONSIDERED HIGHLY EFFECTIVE AS A PARLIAMENTARY DEBATER, BUT WAS KNOWN DURING HIS PREVIOUS STINT AT THE MOD AS EASY-GOING AND COLLEGIAL IN STYLE (IN CONTRAST TO THE ENERGETIC JOHN STANLEY).

6. THE REMAINDER OF THE MOD MINISTERIAL TEAM IS UNCHANGED WITH LORD TREFGARNE AS MINISTER OF STATE FOR DEFENSE PROCUREMENT, ROGER FREEMAN AS PARLIAMENTARY UNDER SECRETARY FOR THE ARMED FORCES, AND ARCHIE HAMILTON AS PARLIAMENTARY UNDER SECRETARY FOR DEFENSE PROCUREMENT.

DEFENSE POLICY ISSUES

7. IN ADDITION TO THE DEFENSE BUDGET, ONE OF THE MAJOR POLICY ISSUES FACING HMG WILL BE A DECISION ON THE MODERNIZATION OF UK NUCLEAR FORCES. THE MOD'S PUBLIC POSITION ON THIS ISSUE HAS BEEN THAT NO DECISIONS HAVE BEEN MADE REGARDING SACEUR'S RECOMMENDATIONS FOR THE MODERNIZATION OF UK NUCLEAR FORCES. IN FACT A DECISION HAS BEEN MADE TO DROP THE NUCLEAR ROLE FOR EIGHT-INCH HOWITZERS, AND THE MOD WILL NOW HAVE TO DECIDE WHETHER TO ACCEPT THE W-82 MODERNIZED ROUND FOR THEIR 155MM HOWITZERS. DECISIONS WILL ALSO HAVE TO BE MADE ON ACQUIRING A STAND-OFF NUCLEAR MISSILE FOR THE RAF AS WELL SECRET

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AS, IN THE LONGER TERM, A FOLLOW-ON FOR THE LANCE SYSTEM.

- 8. BUT POLITICALLY MORE CHALLENGING WOULD BE A DECISION ON THE STATIONING OF ADDITIONAL NUCLEAR FORCES IN THE UK AS THE RESULT OF AN INF AGREEMENT. DURING THE DEBATE OVER THE "DOUBLE ZERO" OPTION FOR AN INF AGREEMENT, THE UK HAS FIRMLY INSISTED ON THE NEED TO COMPENSATE FOR THE LOSS OF LAND-BASED SRINF AND LRINF MISSILES THROUGH THE MODERNIZATION OF OTHER ELEMENTS OF NATO'S NUCLEAR POSTURE. BUT CONFRONTING THE POLITICAL REALITIES INVOLVED IN BASING ADDITIONAL NUCLEAR SYSTEMS IN THE UK AS GLCMS ARE WITHDRAWN -- SUCH AS MORE F-111S, SLCM-ARMED SUBMARINES AT HOLY LOCH, OR EVEN ALCM-ARMED B-52S -- WILL REQUIRE CONSIDERABLE RESOLVE (EVEN WITH A 102-SEAT MAJORITY IN PARLIAMENT).
- 9. OTHER POLICY ISSUES ON WHICH WE NEED TO SECURE UK SUPPORT INCLUDE EXPANDED ALLIED MILITARY COOPERATION IN THE GULF, THE "LOW COST MEASURES" TO ENHANCE NATO CONVENTIONAL DEFENSE OUTLINED BY SECRETARY WEINBERGER AT THE RECENT DPC, AND RESOLUTION OF THE ISSUE OF MARITIME RULES OF ENGAGEMENT ISSUE (ROE).

INCREASED U.S. MILITARY PRESENCE IN THE UK

10. THE U.S. IS IN THE PROCESS OF SIGNIFICANTLY EXPANDING ITS MILITARY FACILITIES IN THE UK AND MODERNIZING AND RESTRUCTURING FORCES CURRENTLY HERE. THESE ACTIVITIES INCLUDE THE WELL KNOWN ON-GOING PROGRAMS OF:

. -- THE DEVELOPMENT OF MOLESWORTH AS THE SECOND GLCM BASE.

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FYLINGDALES.

- -- THE ACTIVATION OF AN AUTOMATIC DATA PROCESSING UNIT TO SUPPORT THE EUCOM ALTERNATE SUPPORT HEADQUARTERS (ASH).
- -- THE CONVERSION OF 800 USAFE MILITARY POSITIONS TO UK CIVILIANS.

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