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10 DOWNING STREET

17 July 1985

From the Private Secretary

Dear Richard,

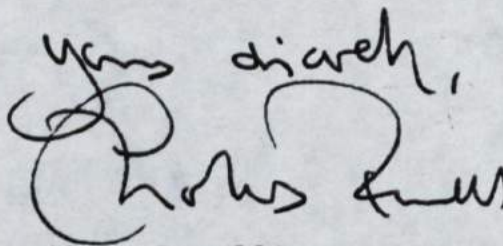
Ballistic Missile Early Warning System

The Prime Minister has considered the joint memorandum by the Foreign Secretary and the Defence Secretary on the proposal to modernise the Ballistic Missile Early Warning system at Fylingdales.

The Prime Minister is content that we should agree to the United States Government's request to modernise the BMEWS provided we can reach satisfactory industrial and financial arrangements. She has commented that we should use our agreement as a further encouragement to the United States Administration to purchase the Ptarmigan MSE system.

The Prime Minister is also content with the proposed public line.

I am sending copies of this letter to the Private Secretaries to members of OD and to Sir Robert Armstrong.

Yours sincerely,

(C.D. Powell)

Richard Mottram, Esq.,
Ministry of Defence

PRIME MINISTERFYLINGDALES

The attached OD paper deals with modernisation of the Ballistic Missile Early Warning System (BMEWS) at Fylingdales.
The main points are:

- modernisation is essential to keep pace with the development of Soviet weapons systems. We have a strong national interest in this.
- we need to be sure that modernisation would not breach the ABM Treaty. We have received specific assurances from the US that they would not use Fylingdales in an ABM role. Since we would continue to man and operate the system, we can effectively control its use.
- the legal advice is that since Fylingdales performed a BMEWS function before the ABM Treaty entered force, modernisation of it is not caught by the provision of that Treaty against deploying such radars in future.
- nonetheless, it is likely that the Russians will claim that it is in violation of the ABM Treaty, to counteract US claims that the construction of Krasnoyarsk is a violation. This may cause domestic criticism here and allegations that Fylingdales will have an SDI-related role. There will be a need for careful presentation.
- the recommendation is that we should tell the Americans that we agree in principle to modernisation, on the understanding that our companies get an equitable work-share.

It is suggested that this be agreed out of Committee.

Yes
Content? (We should use our agreement as a further bargaining card over Ptarmigan).

C.D.P.

16 July 1985

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