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10 DOWNING STREET

From the Principal Private Secretary

4 July 1984

Dear Richard,

The Prime Minister met your Secretary of State and the Chief of the Defence Staff this afternoon to discuss defence reorganisation. Sir Clive Whitmore and I were present.

The Chief of the Defence Staff said that the Chiefs of Staff had no wish to provoke a confrontation with the Secretary of State, with whom they had worked successfully over the last eighteen months and hoped to continue doing so in the future. But they felt a responsibility to advise the Government on whether the new organisation for defence would work as well as the present one and, irrespective of personalities, stand up to the stresses and strains of a crisis. In his own case, he was able to do so from experience of several defence reorganisations.

The Chief of the Defence Staff said that, having initially stated some reservations to the Secretary of State, he and his colleagues had felt it their duty to design the optimum organisation consistent with the Consultative Document issued by the Secretary of State. They felt that the model which had resulted could be made to work in all normal circumstances, and embodied marginal improvements in the handling of minor crises and the allocation of resources. But, as the exercise developed, the Chiefs of Staff had realised that they had major reservations on philosophy, particularly on whether the centre could be functionalised much more than Mountbatten had done without impairing the management and effectiveness of the individual Services, the balance between policy and management, and the ability of the Service Chiefs to exercise responsibility for the morale and efficiency of their Services. These reservations had been set out in the minute of 13 June to the Secretary of State, which also listed six major disadvantages of the proposals. They feared that the shortcomings would become apparent not in the conduct of warlike operations but in the shape of each Service and in the reliability of professional advice. They had offered similar savings by an easier modification

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of the present organisation, which would avoid the major upheaval involved in the present proposals. The CDS said that the Chiefs of Staff had felt it necessary to send their further note of 29 June because they felt it was the only way to emphasise that the Government's proposals were going down a quite discernible and different path. As regards the position of the Chiefs of Staff if the centre was strengthened and the influence of individual Chiefs on the formation and development of policy was reduced, while three separate Services were retained, the expertise of the separate Chiefs was bound to be diluted, lines of responsibility would be blurred and ultimately the quality and availability of the specialist advice necessary in a crisis would be diminished. The extent and timing of this effect could not be quantified, and the Government might feel that the risks were worth taking and the arrangements in the White Paper should be tried. If so, the Chiefs of Staff would loyally support the White Paper and do their best to make the arrangements in it work, recognising that some aspects would be beneficial; but they felt bound to make clear to the Prime Minister their views, and draw attention to the change in balance involved and the potential dangers of that change.

The Prime Minister said that she had not been involved in discussion of the detailed arrangements. But when the Secretary of State had informed her and her colleagues of his proposals, they had felt that they were not so much a fundamental change as the last evolutionary step in the process initiated in the Mountbatten proposals towards a conclusion which was desirable for the defence of the country. She herself felt a strong sense of loyalty to the Chiefs of Staff, but she had been taken aback by the minute of 29 June because she did not see how it was possible that an arrangement which was regarded as workable and advantageous in peacetime could be damaging in the event of war. The CDS intervened to say that the comments in the minute of 29 June did not refer to the conduct of operations, which might be improved by the new arrangements: the fear was that, when in a crisis the Government needed to refer to the individual Chiefs of Staff, they might not find them in the same position to advise and take responsibility as they now were.

The Prime Minister replied that she saw the separate Chiefs as taking a bigger part in the defence of the nation because they would be involved in the fundamental decisions governing overall defence and not only in the decisions affecting their own services. She had no difficulty in agreeing to the proposition that they should have adequate staff for this purpose. She recalled calling in the Chiefs of Staff over the decision on Stingray which, in her view, had implications for all the Armed Services; and she had treated them then as having a collective responsibility.

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She had similarly involved them in the Falklands operation. She recognised the difficulty of changing from a known and familiar arrangement to an unknown one; but she could not believe that the individual Chiefs under the new arrangements would not know the capability of their own Service or be able to advise on it. She was determined that the individual right of access of the Chiefs of Staff would be maintained: she would be prepared to confirm this in a letter to them and would also be prepared to have annual meetings with them.

The Chief of the Defence Staff said that he regretted that the Government were not satisfied with the present system: over 98 per cent of the field, what was right for each individual Service was the best for defence as a whole, and it was only over 2 per cent of the field that problems of allocation arose. But he took the message that the Prime Minister and the Secretary of State would want to give a trial to the new arrangements. He was himself grateful for the assurances which the Prime Minister had given, but it would be immensely useful if she would give the separate Chiefs of Staff the opportunity to represent their views to her and repeat her assurances directly to them. The Prime Minister said that she would be glad to do so.

Yours ever,

Robin Butler

Richard Mottram Esq  
Ministry of Defence.

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