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Foreign and Commonwealth Office

London SW1A 2AH

7 June 1979

Dear Bryan,

Briefing for Calls by General Haig

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I enclose two copies of each of the four briefs which the FCO has been asked to prepare for SACEUR's calls on the Prime Minister, Lord Carrington and Mr Pym on 13 June.

In preparing these briefs, we have borne in mind the fact that General Haig is returning to the United States with the aim of entering politics on the Republican side. For this reason, the briefs (especially on US/UK relations) have been cast in somewhat bland terms, avoiding issues on which General Haig may be tempted to exploit European views in US domestic politics.

Yours ~~GB~~

Paul

P Lever
Private Secretary

Bryan Cartledge Esq
10 Downing Street

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MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~XXXXXX~~ 218 2111/3

MO 1/14/1

7th June 1979

Dear Caroline

FAREWELL CALLS BY GENERAL HAIG, SACEUR
13TH JUNE

General Haig will be paying a farewell visit to the Prime Minister at 10 am next Wednesday, 13th June. He will be visiting the Foreign and Commonwealth Secretary at 3.45pm and this call will be preceded by a visit to the Defence Secretary at 3pm.

As requested I enclose two copies of briefing notes covering a number of subjects which it is possible that General Haig will raise. The Department of Energy have submitted a brief on the world energy situation as it was understood from SACEUR's Executive Officer that this subject, although not strictly within SACEUR's brief, could well be raised by him.

I trust the information provided will be satisfactory for your purpose.

Yours sincerely
Marion Stapleton
(M STAPLETON)(Miss)

Miss Caroline Stephens
10 Downing Street

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8, 9, 11-15 - MOD

3 - ENERGY

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- BRIEF No 1 SACEUR - General Haig
2 US/UK bilateral relationship
3 Energy
4 Position and attitudes of the FRG.
5 TNF Modernisation
6 Polaris Replacement
7 SALT II
8 MBFR
9 Intelligence Sharing
10 Greece/Turkey
11 Military Assistance to Portugal and Turkey
12 Deployments outside the NATO area
13 SACEUR's Annual Assessment of Combat Effectiveness
14 Rapid Reinforcement Concept
15 UK Defence Budget

5. The FCO will forward Brief Nos 2, 4, 7 and 10 separately.

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FAREWELL CALLS BY GENERAL HAIG:

13 JUNE 1979

BACKGROUND BRIEF

1. General Haig is visiting the UK on 13 June as part of a farewell tour of NATO capitals. As well as calling on the Prime Minister, he will meet the Foreign and Commonwealth Secretary, Secretary of State for Defence and, in the absence of the Chief of Defence Staff abroad, the 3 Service Chiefs of Staff.
2. This visit was proposed by General Haig himself last January when he informed the then Prime Minister of his intention to resign as SACEUR with effect from 30 June 1979 and to retire immediately thereafter from active military service. It is understood that General Haig last met the Prime Minister when she was Leader of the Opposition. He is known to favour discussions with a limited audience so that they can be full and frank.
3. We understand from SACEUR's Executive Officer that General Haig wishes to concentrate on 2 main areas in discussion: global and defence issues. Acting on this advice, briefs have been prepared on these themes as well as on other topics in which SACEUR is known to have a particular interest. For example, SACEUR has recently produced a Rapid Reinforcement Plan addressing a critical area of Alliance weakness in view of the enhanced capability of the Warsaw Pact to launch an offensive attack at very short warning at a time and place of its own choosing. General Haig has also shown a keen interest in the question of Alliance assistance to Turkey and has conducted negotiations aimed at a closer relationship between Greece and NATO's integrated military structure.
4. Briefs are provided as follows:

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BRIEF NO 1
6 JUNE 1979

FAREWELL CALLS BY GENERAL HAIG: 13 JUNE 1979

SACEUR - GENERAL ALEXANDER HAIG

1. Role of SACEUR. By tradition, the Supreme Allied Commander Europe (SACEUR) is a United States Army Officer who also holds the national appointment of Commander in Chief United States Europe Command. The post is filled by a nominee of the US President subject to confirmation by NATO's Defence Planning Committee.
2. SACEUR is responsible for the defence against any attack on the Allied countries situated within his command area (which extends from the North Cape to the North African littoral and from the Atlantic to the Eastern border of Turkey). In peacetime, his function is to advise NATO, and in certain circumstances Defence Ministers and Heads of Government, on all military matters. In particular, he examines national capabilities and makes proposals to improve them.
3. General Haig. General Haig became SACEUR in December 1974 following a period as White House Chief of Staff. Although his tour as SACEUR has been extended from the 2 years originally intended, General Haig's resignation has come somewhat earlier than expected and there has been speculation that he intends to run as a Republican candidate for the US Presidency. General Haig has devoted great energy to the cause of Alliance security and to maintaining and improving its defence capability. He has been concerned about the cohesiveness and effectiveness of the Alliance and has been outspoken in defence of Alliance priorities as opposed to purely national interests, including those of the US. This concern to correct Alliance deficiencies is illustrated by the Flexibility Studies conducted by SACEUR in 1976 which in many respects anticipated the Long Term Defence Programme and recommended a range of measures designed to improve the fighting

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effectiveness of Allied Command Europe forces.

4. General Haig's successor as SACEUR will be General Bernard Rogers who has had a distinguished military career and is currently US Army Chief of Staff.

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BRIEF NO 2

6 June 1979

FAREWELL CALLS BY GENERAL HAIG

13 JUNE 1979

Brief by Foreign and Commonwealth Office

Line to Take

1. Much enjoyed meeting Secretary Vance when he was here last month. Very useful discussions. Looking forward to seeing President Carter in Tokyo.
2. New British Government fully committed to European Community. But this in no way derogates from our role in the Atlantic Alliance. Commitment to increased defence spending example of this.
3. Equally anxious to continue and sustain close bilateral relationship with US in all fields.

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Background

1 A close working partnership between Britain and the US is fundamental to British foreign policy. The Anglo-US dialogue has remained continuous, lively and valuable under President Carter, extending into every significant foreign policy issue. A strong British commitment to the European Community enhances and strengthens the Anglo-US relationship. And our belief in the cohesion and importance of the Atlantic Alliance finds common cause with the US Administration in our support for an annual 3 per cent increase in defence expertise.

2 On his recent visit to London, Mr Vance met the Prime Minister, Mr Pym, Sir Geoffrey Howe, Mr Nott and had eight hours of discussions with Lord Carrington. This provided a useful opportunity for substantive and comprehensive discussions, which concentrated on defence and arms control issues, Southern Africa and the Middle East. We now have a very clear idea of the thinking of the US Administration on international issues and the Americans know where we stand.

3 We are confident that this traditional frank dialogue will continue. Of course there will be some problems and disagreements between us but on the major points we expect a close identity of views.



BRIEF NO 3
6 JUNE 1979

BRIEF FOR THE FAREWELL VISIT OF GENERAL HAIG, SUPREME ALLIED COMMANDER.

The World Energy Situation

Essential Facts

A. The Oil Situation

(i) Supply.

Without any demand restraint by consumers, the free-world supply shortfall in 1979 will be about 1.5-2.0 million barrels/day (or 3.4% of demand). Iranian production is now about 3.5mbd (compared with about 5.7mbd before the present crisis). Present need is to rebuild stocks for next winter. Localised product shortages inevitable (mainly light products including motor gasoline).

(ii) Prices.

Increase of over 30% in average OPEC price since end of last year. Further increases (eg at OPEC Ministerial meeting this month) are almost inevitable.

(iii) International Energy Agency (IEA).

IEA countries are committed collectively to reduce their demand for oil on the world market by 2mbd; or about 5% of IEA consumption. HMG believes that it is essential that effective measures are taken by individual countries (especially the US) to fulfill this commitment. UK expects to achieve its share mainly through power station fuel switching (oil to coal) and informal allocation schemes run by oil companies.

(iv) Economic Consequences.

Impact of a further steep oil price rise on the world economy will be serious, particularly on economic growth rates; and on the balance of payments of the US and the smaller OECD countries.



B. Tokyo Summit

Energy and its impact on the world economy will be a major subject at Tokyo. We will want the Summit to give strong political impetus to short-term oil demand restraint, and to the development of alternative sources and effective conservation in the long term.

C. Producer/Consumer Relations

We believe that it is of considerable long-term importance to promote better contacts and understanding between oil producers and consumers; though we recognise that oil producers will be most reluctant to let their pricing and production policies become a subject for international discussion. The consumers should use opportunities such as the Tokyo Summit to signal their interest in expanded contacts with producers.

Department of Energy

6 June 1979

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BRIEF NO 4

6 June 1979

FAREWELL CALLS BY GENERAL HAIG

13 JUNE 1979

THE POSITION AND ATTITUDES OF THE FRG

Brief by Foreign and Commonwealth Office

Line to Take

The visit by Chancellor Schmidt and 2 of his Ministers in the week after the Election brought us up to date on German attitudes to most questions. We intend to keep very close to the Germans on Military-Politico issues (notably TNF modernisation). Relations between Washington and Bonn have caused us some concern, but both sides seem determined to keep differences within bounds. We shall continue to do what we can to help.

[If General Haig refers to alleged evidence of dissension within the SPD leading to independent FRG negotiations with the East]:

Recent Land Elections demonstrate the remarkable stability of the German domestic landscape. Odds at present are on a continuation of the present governing coalition after next year's Federal elections. The FRG has a clear interest in holding to present policies and avoiding ill-considered adventures towards the East. In our view, present German policies across the board are characterised by continuing good sense and caution.

/Background

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Background

General Haig is known to have expressed considerable concern recently about the situation within the SPD. He has referred to a highly speculative scenario under which factions within the SPD would follow a line of policy designed to win an absolute majority in the Federal elections. Following this Chancellor Schmidt would be discarded and a new SPD Government would embark on an independent line of negotiation with the East based on the proposition that the border between the 2 Germanys would melt away. General Haig's concern seems to derive from sources other than the actual or predicted policies of the Federal Government, which are of course very different.

Relations between the US and German Governments have deteriorated since Mr Carter assumed office in 1977. Part of the trouble stems from the indifferent personal relationship between the President and the Chancellor. The US administration's handling of a number of important issues has also displeased the Federal Government in varying degree over the past 2 years. These include:

- a) US handling of the Human Rights issue
- b) US policy of non-proliferation (affecting German nuclear exports)
- c) German suspicions of US defence policy in Europe
- d) American pressure on the Germans to accept greater responsibility for decisions in the defence field than they as a ^{non-}nuclear power feel able to bear, especially over TNF
- e) US attempts in 1978 to persuade the Germans to reflate their economy
- f) What the Germans see as erratic US leadership and failure to consult their European allies.

For their part, Mr Carter and his administration regard Germany as a (possibly the) most important ally and partner of the US and have gone out of their way to support NATO and the EEC two institutions of vital importance to West Germany.

General Haig's own view of the US/FRG relationship will however have been coloured by his well-publicised differences with Herr Apel, the German Defence Minister, for example over the scale and timing of NATO manoeuvres in Germany last autumn. Herr Apel is here to stay and is indeed a conceivable successor to Helmut Schmidt as Chancellor.

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BRIEF NO 5
6 JUNE 1979

FAREWELL CALLS BY GENERAL HAIG: 13 JUNE 1979

MODERNISATION OF THEATRE NUCLEAR FORCES

LINE TO TAKE

1. We have made it clear that we will not shirk our responsibilities in this important area. But we need to work hard for a collective Alliance effort.
2. What does General Haig regard as the most useful way for the UK to contribute to an Alliance effort?
3. [Defensive - if asked about "grey area" arms control] A coherent Western position on "grey area" arms control is important for a number of reasons including facilitating a modernisation programme. But the modernisation programme itself must not be bargained away to the detriment of credible deterrence.

BACKGROUND

1. The High Level Group, which is examining theatre nuclear force (TNF) modernisation options, and the Special Group, which is studying TNF arms control, are intending to meet jointly in September so as to ensure a common basis for their separate reports to Ministers. The aim is to enable Ministers to take decisions on a TNF modernisation programme by the end of the year.
2. General Haig has firm views on the subject. In February this year he told the Senate Armed Services Committee that a TNF modernisation programme was:

- a. essential both for the continued maintenance of the flexible response strategy with "credible deterrence at every potential level of conflict";
- b. important as a demonstration of Alliance solidarity; economic burden-sharing is an important feature of this;
- c. "a pre-requisite for sound arms control measures and

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the only assured basis for restraining the continuing build-up of Soviet forces".

General Haig also stressed that a prompt Alliance consensus was required, and that there was a "positive and unequivocal need" for American leadership. General Haig is known to attach importance to a UK contribution to the effort required.

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BRIEF NO 6

6 JUNE 1979

FAREWELL CALLS BY GENERAL HAIG: 13 JUNE 1979

POLARIS REPLACEMENT

LINE TO TAKE

1. We greatly value our continuing close association with the United States in the nuclear field; we were most encouraged by Secretary Vance's visit to London last month.
2. We will need to examine all the military and resource implications, together with the views of the Alliance, before taking a final decision. But in principle we are fully committed to the maintenance of an effective United Kingdom strategic deterrent.
3. How valuable, in General Haig's view, is the contribution made by an independent UK nuclear capability to the Alliance?
4. [Defensive - if pressed] We have no firm views yet about systems, and are interested in both the ballistic and cruise missile options.

BACKGROUND

1. Ministers reaffirmed last month their commitment to the maintenance of an effective UK strategic deterrent.
2. General Haig has not recently volunteered views on this issue, but he may well wish to urge upon Ministers the importance of the independent UK capability for the credibility of Alliance deterrence. Ministers will recall that the principal advantage for the Alliance of the present Polaris force is that, by acting as a second centre of nuclear decision-making within NATO, it significantly increases the uncertainties faced by an aggressor. This increases the credibility of deterrence out of all proportion to the numerical size for the force.

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BRIEF NO 7
5 JUNE 1979

FAREWELL CALLS BY GENERAL HAIG: 13 JUNE 1979

SALT II

Brief by Foreign and Commonwealth Office

LINE TO TAKE

1. We very much hope that the agreement will be ratified.
How do you think the debate will go?

BACKGROUND

2. The Government have taken the following line in reacting to the American announcement of 9 May that the SALT II negotiations had been concluded:

"We are glad that progress on SALT II has gone far enough to permit the long-awaited summit meeting to take place. We have long supported efforts to achieve strategic arms limitation and welcome the settlement of the major outstanding issues. We hope the the treaty will be ratified".

The Government have also endorsed a reference that "Ministers welcomed the SALT II agreement" in the NATO Ministerial Communique on 31 May.

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3. In view of General Haig's alleged political ambition and his experience as SACEUR he is likely to play a prominent role in the SALT ratification debate. There have been press reports that he is opposed to the SALT II agreement. In a recent interview (US News and World Report 26 February) he suggested that the most important question which had to be answered during the ratification process was whether or not the United States would be better able under SALT II to take steps necessary to maintain strategic parity and equivalence.

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BRIEF NO 8
6 JUNE 1979

FAREWELL CALLS BY GENERAL HAIG : 13 JUNE 1979

MUTUAL AND BALANCED FORCE REDUCTIONS

LINE TO TAKE

1. It is important that reductions result in genuine parity, and we consequently need to continue to press the East on the major discrepancy between tabled figures for their forces and our estimates.
2. We need to avoid restrictions which could undermine the cohesion of Alliance defence.
3. Any agreement should be subject to adequate verification.

BACKGROUND

4. The data dispute: The West has concentrated increasingly on the large discrepancy between NATO and Warsaw Pact figures for Eastern forces in the reductions area. The East are showing signs of discomfiture and in recent bilateral discussion with the Americans the Russians have been exploring the possibilities of bypassing the need to agree on data. General Haig attaches particular importance to the West standing firm on this issue. The UK also believe agreement on data to be a sine qua non of progress towards an MBFR reductions agreement.
5. "Associated Measures": Since July 1978 the Alliance has been considering the content of a package of Associated Measures (verification and confidence-building measures). SACEUR is apprehensive lest an American proposal to limit the scale of out of garrison activity undermine Alliance flexibility in a period of rising tension. The UK shares some of these misgivings. The Americans have now agreed to defer this measure pending further study. SACEUR also wishes the package to contain adequate verification provisions in the face

of German opposition to the inspection measures being discussed in the MBFR Working Group. The UK has proposed to the Americans and Germans a compromise measure. This has been accepted by the Germans; the Americans are seeking to modify it. General Haig is likely to be aware of these trilateral exchanges but not their detail.

6. "Option III": In December 1975 the West offered to reduce and limit at their post -reduction level numbers of US nuclear warheads and delivery systems (dual-capable F-4s and Pershing ballistic missile launchers). The offer also included a limitation on follow-on models of the same type of system: the West has indicated that all US dual-capable aircraft would be limited, but has not yet defined the scope of limitation on ballistic missile launchers. The East has not yet met the conditions of Option III. The future of the Option III offer is now bound up with current Alliance consideration of TNF modernisation options and the complementary study of possible options for arms control in the "grey area".

A The National Archives

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BRIEF NO 10

6 JUNE 1979

FAREWELL CALLS BY GENERAL HAIG : 13 JUNE 1979

GREECE, TURKEY AND NATO

Brief by Foreign and Commonwealth Office

LINE TO TAKE

1. Greece's return to full participation in NATO is vital. We have welcomed SACEUR's efforts to find a compromise. Though both sides have made some concessions, the central issues remain unsolved.
2. What next? Caution will be necessary: there is a danger of pushing the Greeks into a corner.

BACKGROUND

3. In 1974, following Turkey's invasion of Cyprus, Greece withdrew from the military structure of NATO. But in 1978 the Greek Government put forward proposals for Greece's return. These were generally welcomed by NATO countries but agreement has been held up by a dispute over command boundaries in the Aegean. The Greeks have argued for a return to the boundaries which were in effect before 1974 (which run between the eastern-most Greek islands and the Turkish mainland, giving virtually the whole of the Aegean to Greece)

/pending

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pending agreement on alternative measures. The Turks claim that the pre-1974 boundaries made military nonsense; that they were never accepted by Turkey; and that new boundaries must be negotiated before Greece can return to the integrated military structure. Acceptance of boundaries less favourable to Greece than those in force before 1974 would be unacceptable to Greece as a price for reintegration. Behind these differences lies the much more important dispute over the Aegean continental shelf, airspace, the militarisation of the Greek islands and the threat that they might become "enclaves" in Turkish waters. Both sides fear compromising their position on this wider issue and the Turks seek to exploit the leverage offered by Greece's application to rejoin the military structure.

4. At the request of the NATO Secretary-General, General Haig has twice this year made contact with the Greek and Turkish authorities in an attempt to break the deadlock. Early in May, he presented proposals to the Greeks, which had been endorsed by the Turks. These the Greeks rejected: though General Haig has yet to report on his mission, it seems that most difficulty was caused by the proposal that the Greeks should relinquish operational control over a section of Aegean air space, including many Greek islands, to a new NATO authority. News of these exchanges leaked in the Greek press on 20 May, setting off a storm in the Greek Parliament, where the Opposition accused the Government of endangering the country's territorial integrity by offering excessive concessions. Mr Karamanlis and the Greek Foreign Minister, Mr Rallis, have both subsequently
/raised

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raised the issue in strong terms with Lord Carrington,
expressing dissatisfaction with General Haig's handling of
his mandate and seeking British support for the Greek position.

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BRIEF NO 11
6 JUNE 1979

FAREWELL CALLS BY GENERAL HAIG: 13 JUNE 1979

MILITARY ASSISTANCE TO PORTUGAL AND TURKEY

LINE TO TAKE

1. We share the general NATO concern to help these countries and we have pledged ourselves, together with our Allies, to pursue this matter vigorously. We have recently given Portugal defence equipment worth some £2.1M, and we are actively considering what can be done to help the Turkish Armed Forces. We are taking a full part in the current NATO studies of how collectively to provide the Portuguese Navy with the frigates it requires.
2. You will also be aware of the United Kingdom's decision to commit £15M to the economic assistance of Turkey.

BACKGROUND

3. General Haig is very interested in the question of economic aid to Turkey. He claims to have worked hard behind the scenes for a positive American attitude at Guadeloupe, and he has been critical of the US Administration attitude. At the end of his farewell visit to Turkey on 18 May General Haig said that he was impressed with the urgency of providing Turkey with immediate financial assistance. He added that military assistance as well as economic help was necessary. It was his strong view that the recommendation of the Senate Foreign Relations Committee to provide \$50M supplemental assistance by way of credit was wrong: Turkey needed grant assistance. (In the event, the Senate overrode this proposal and granted the money as military aid).
4. At the Ministerial DPC on 15/16 May, Ministers collectively pledged themselves to assist, and they agreed that a progress report should be prepared for their next meeting. The UK has recently given Portugal - with the approval of Parliament - a package of defence equipment worth some £2.1M, and we are taking an active

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part in current NATO studies into means for providing the Portuguese Navy with the three frigates it needs in order to maintain an ocean-going capability. We have not yet been able to identify a worthwhile package of equipment for Turkey however, largely because the mainly US supplied Turkish equipment is incompatible with UK items; we are still investigating what can be done. The Turks have recently suggested to NATO a collective effort for military aid of some \$600M a year over 5 years. The Alliance has yet to respond to this suggestion.

REF NO. 12
6 JUNE 1979

FAREWELL CALLS BY GENERAL HAIG: 13 JUNE 1979

DEPLOYMENTS OUTSIDE THE NATO AREA

LINE TO TAKE

While NATO is the first call on our resources, we regard our limited deployments outside the NATO area as an important contribution to the defence of Western interests. They also provide valuable training experience for the Services.

BACKGROUND

1. Our forces retain the ability to deploy world-wide in order to fulfil our residual responsibilities towards dependent territories, to contribute to UN peacekeeping operations, to assist in the evacuation of British communities overseas and to meet unforeseen emergencies.
2. Although virtually all RN ships are assigned to NATO, groups of ships deploy outside the NATO area each year. The maritime Major NATO Commanders generally favour such deployments.
3. In Cyprus, a force of about 3,800 protects and operates important intelligence and defence facilities located in the Sovereign Base Areas. The Treaty of Establishment of the SBAs does not specifically provide for their use by countries other than the UK and care has to be exercised over use by NATO allies. Nevertheless our military presence in Cyprus is of direct value to NATO in contributing to the stability of the Eastern Mediterranean area. The UK also provides about a third of the troops of UNFICYP; and gives logistic support to it and UNIFIL, from the SBA's.
4. In addition, the UK stations forces in Belize, the Falkland Islands, Hong Kong and Brunei to meet national commitments.

At the Ministerial DPC in May, the US suggested that the Allies could usefully consult more on matters affecting their interests outside the NATO area.

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BRIEF NO 13

JUNE 1979

FAREWELL CALLS BY GENERAL HAIG: 13 JUNE 1979

SACEUR'S ANNUAL ASSESSMENT OF COMBAT EFFECTIVENESS

LINE TO TAKE

SACEUR's assessment that the overall conventional capability of the Alliance is improving is most welcome. It is recognised, however, that deficiencies do remain and that the impetus behind NATO's recent initiatives must be maintained. The UK will give high priority to the implementation of the Long Term Defence Programme and has accepted NATO's call to aim for 3% a year real increases in defence spending up to 1986.

BACKGROUND

1. SACEUR produces an annual Combat Effectiveness Report - his personal view of the military effectiveness of his command. In his 1977 report, SACEUR gave credit for the considerable progress made in improving the effectiveness of NATO's forces. He acknowledged that there were encouraging signs in the Alliance of a determination to reverse the adverse trend in the balance with the Warsaw Pact, for example in the early work on the Long Term Defence Programme and the agreement of Ministers to aim for 3% real increases in defence expenditure up to 1984, but his overall conclusions were more sombre. He felt that with the gap in conventional capabilities between NATO forces and the Warsaw Pact continuing to grow, NATO would be hard pressed to sustain a successful conventional defence in the Central Region and that until the various Alliance initiatives produced tangible results the ability of NATO forces to defend, as well as their deterrent value, would be in question.

2. In his 1978 Combat Effectiveness Report SACEUR has noted that deficiencies in conventional capabilities remain, particularly on the NATO Flanks. He pointed to a number of limitations in combat

effectiveness including those arising from manpower shortages; the UK, together with a number of other Allies, was particularly referred to in this context. (The UK is taking remedial measures to rectify these shortages and it is hoped that the recent pay award will have a beneficial effect).

3. Nevertheless, SACEUR noted that there had been a number of improvements in the Alliance's conventional capability and gave credit to the UK for the increases in the size of the Army. Of greatest significance over the Alliance as a whole was the high priority that has been given to implementing the LTDP, which recommended measures in 10 priority areas designed to adapt the Alliance's defence posture to meet the needs of the 1980s.

4. SACEUR concluded that overall the improvements in conventional capabilities have been meaningful and, in the case of the Central Region, substantial and that the basis now existed for halting the widening of the gap between NATO and the Warsaw Pact in conventional capabilities. SACEUR felt that nations must continue with their efforts to maintain this progress and commit the necessary resources to the task. He also drew attention to the Soviet build up in theatre nuclear weapons and the need to modernise our own longer range theatre forces so as to maintain NATO's strategy of flexible response (TNF modernisation covered separately in Brief No 5).

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BRIEF NO 14
6 JUNE 1979

FAREWELL CALLS BY GENERAL HAIG: 13 JUNE 1979

NATO'S RAPID REINFORCEMENT CONCEPT AND SACEUR'S RAPID REINFORCEMENT PLAN

LINE TO TAKE

We fully support the rapid reinforcement concept and SACEUR's RRP. We believe this has highlighted the need for further detailed planning, and we hope that the urgency and momentum which General Haig has imparted to this subject should not falter because of his departure.

BACKGROUND

Throughout his time as SACEUR, General Haig has consistently pressed for a capability to reinforce Europe more rapidly. The Rapid Reinforcement Concept was endorsed by the North Atlantic Council in June 1977 and by Heads of Government in May 1978. This led to development of SACEUR's Rapid Reinforcement Plan (RRP), the first draft of which was issued to nations for comment in November 1978.

UK Reaction to RRP

The UK fully supports both the concept and plan but believes that the latter must be based on credible force levels, movement resources and reception capabilities. The UK contribution to this exercise used actual deployment plans, but the figures used for transatlantic reinforcements are known to be broad brush. We believe that the Nations who have not yet done so (mainly the USA, but also receiving nations in Europe) should begin detailed planning as soon as possible.

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BRIEF NO 15
6 JUNE 1979

FAREWELL CALLS BY GENERAL HAIG: 13 JUNE 1979

UNITED KINGDOM DEFENCE BUDGET

LINE TO TAKE

1. During their first few weeks in office the Government have given practical demonstration of their commitment to NATO in three ways. First, armed forces pay has increased to its proper level, and the 1979-80 cash limit has been increased correspondingly. Second, in yesterday's Budget the Chancellor of the Exchequer announced an extra £100M for defence this year to meet the cost of re-equipping the forces. Thirdly, at the recent meeting of NATO Defence Ministers we accepted NATO's call to aim for 3% a year real increases in defence spending up to 1986.

2. These decisions have not been easy, given our strategy of reducing public expenditure to reinvigorate the economy. We aim to cut out administrative waste throughout Government, and defence will not be exempt from this - nor should it be. We have not yet taken firm decisions about defence budget levels beyond the current year; this is a task for the coming weeks and months. But what we have done so far shows clearly our commitment to defence.

3. It is of course essential that our Allies, including the USA, should continue to demonstrate their commitment in the same way.

BACKGROUND

1. The £100M increase in the 1979-80 defence budget will have been announced in the Budget the day before the Prime Minister sees General Haig.

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