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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

Withdrawer

DLB 10/18/2006

File Folder UNITED KINGDOM (01/25/1982-02/11/1982) [TOO LATE TO FILE]

FOIA

F02-071/1

Box Number 20

COLLINS

56

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
29025	FORM	NSC PROFILE SHEET R 7/25/2012 M337/1	1	1/27/1982	B1
29026	CABLE	#262321Z JAN 82 - LETTER; REAGAN TO THATCHER R 7/31/2008 NLRRF02-071/1	1	1/26/1982	B1
29027	MEMO	WILLIAM CLARK TO THE PRESIDENT, RE: REPLY TO PRIME MINISTER THATCHER R 12/5/2011 F2002-071/1	1	ND	B1
29028	CABLE	DRAFT VERSION OF #29026 R 7/31/2008 NLRRF02-071/1	1	ND	B1
29029	MEMO	DENNIS BLAIR TO BUD MCFARLANE, RE: CONSULTATIONS WITH THE UK ON TRIDENT MISSILES R 6/9/2010 M193/1	1	1/25/1982	B1
29030	MEMO	DENNIS BLAIR TO WILLIAM CLARK, RE: PRESIDENTIAL REPLY TO MESSAGE FROM PRIME MINISTER THATCHER R 1/16/2015 M193/1	1	1/25/1982	B1
29031	CABLE	#211550Z JAN 82; LETTER - THATCHER TO REAGAN D 7/31/2008 NLRRF02-071/1	2	1/21/1982	B1
29032	FORM	NSC PROFILE SHEET R 7/25/2012 M337/1	1	1/27/1982	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
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- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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F02-071/1

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COLLINS

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
29033	MEMO	WILLIAM CLARK TO THE PRESIDENT, RE: DISCUSSIONS WITH THE BRITISH <i>R 1/16/2015 M193/1</i>	2	ND	B1
29034	MEMO	[CAP WEINBERGER] TO JUDGE CLARK, RE: UK TRIDENT II PURCHASE <i>R 10/13/2010 M193/1</i>	2	ND	B1
29035	REPORT	PROGRESS REPORT OF THE US/UK WORKING GROUP ON THE DEFENSE PROGRAM <i>R 12/5/2011 F2002-071/1</i>	1	10/6/1981	B1
29036	MINUTES	NOTES OF THE MEETINGS OF US/UK DEFENSE REVIEW WORKING GROUP HELD ON 5/6 OCTOBER 1981 <i>R 6/9/2010 M193/1</i>	5	ND	B1
29037	FORM	NSC PROFILE SHEET <i>R 7/25/2012 M337/1</i>	1	1/27/1982	B1
29038	MEMO	WILLIAM CLARK TO CAP WEINBERGER, ALEXANDER HAIG, RE: DISCUSSIONS WITH THE BRITISH <i>R 10/13/2010 M193/1</i>	2	1/27/1982	B1
29039	MEMO	BUD MCFARLANE TO JUDGE CLARK, RE: DISCUSSIONS WITH THE BRITISH <i>R 1/16/2015 M193/1</i>	1	1/27/1982	B1

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FOIA

F02-071/1

Box Number 20

COLLINS

56

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
29040	FORM	NSC PROFILE SHEET <i>R 7/25/2012 M337/1</i>	1	2/2/1982	B1
29041	MEMO	MCFARLANE TO RICHARD PERLE, RICHARD BURT, RE: PREPARATIONS FOR MEETINGS WITH UNITED KINGDOM <i>R 3/4/2013 M337/1</i>	2	2/1/1982	B1
29042	FORM	NSC PROFILE SHEET <i>R 7/25/2012 M337/1</i>	1	2/12/1982	B1
29043	MEMO	WALTER STOESSEL, FRANK CARLUCCI TO THE PRESIDENT, RE: NEGOTIATIONS WITH THE UNITED KINGDOM <i>R 6/9/2010 M193/1</i>	1	2/11/1982	B1
29044	MEMO	ALEXANDER HAIG TO THE PRESIDENT, RE: DISCUSSIONS WITH THE BRITISH <i>R 7/31/2008 NLRRF02-071/1</i>	2	2/6/1982	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

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C. Closed in accordance with restrictions contained in donor's deed of gift.

RECEIVED 27 JAN 82 10

TO MCFARLANE

FROM BLAIR

DOCDATE 25 JAN 82

KEYWORDS: GREAT BRITAIN

NUCLEAR MATTERS

THATCHER, MARGARET

SUBJECT: CONSULTATIONS W/ UK ON TRIDENT MISSILES

ACTION: FWD TO PRES FOR DECISION

DUE:

STATUS C

FILES SII

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

COMMENTS

DECLASSIFIED
NLRR MID-337 #29025
BY RW NARA DATE 7/25/12

REF#

LOG 8290027

8290028

NSCIFID

(B / B)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

- 1/27 Clark approved ucom

C 1/27 Pres msg sent by SIT room

DISPATCH

W/ATTCH FILE

(C)

dlb 10/12/06

1 SIF

NOVAL 48

RECEIVED 22 JAN 82 11

2

TO PRES

FROM THATCHER, MARGARET

DOCDATE 21 JAN 82

RENTSCHLER

21 JAN 82

KEYWORDS: GREAT BRITAIN

ARMS SALES

HS

SUBJECT: PRESIDENTIAL RESPONSE TO FM THATCHER 21 JAN MSG RE D5 MISSILE SYSTEM

ACTION: FOR DECISION

DUE: 23 JAN 82 STATUS X FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

MCFARLANE

KIMMITT

SHOEMAKER

CLEVELAND

COMMENTS

REF#

LOG

NSCIFID

(H /)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

*- 1/26 Pres msg sent
C 1/26 incorporated into 90024*

DISPATCH

W/ATTCH FILE (C)

THE WHITE HOUSE
WASHINGTON

90024

System II

3

Brian,

1/26

Log this in
System II. Ask
SITRM for copy of
outgoing for file.

John

RECALLED

~~TOP SECRET~~

29026

OUTGOING

WHITE HOUSE SITUATION ROOM

PAGE 01 THE WHITE HOUSE 0364 DTG: 262321Z JAN 82 PSN: 047166
SIT113 RECALLED TOR: 026/2220Z

DISTRIBUTION: RCAL /001

OP IMMED
DE WTE #0364 0262220
O 262321Z JAN 82
FM THE WHITE HOUSE

TO CABINET OFFICE, LONDON

~~TOP SECRET~~ VIA CABINET OFFICE CHANNELS WH00364

JANUARY 26, 1982

TO: PRIME MINISTER MARGARET THATCHER

DEAR MARGARET:

MANY THANKS FOR YOUR JANUARY 21 LETTER ON THE D5 MISSILE SYSTEM. YOUR PROPOSAL FOR EARLY TALKS HERE IN WASHINGTON CONCERNING CONDITIONS OF AVAILABILITY MAKES EXCELLENT SENSE, AND I SEE NO REASON WHY WE SHOULD NOT FIRM UP ARRANGEMENTS TO MEET WITH YOUR PEOPLE AS SOON AS POSSIBLE.

IF CONVIENENT FOR YOUR SIDE, I WOULD SUGGEST A MEETING THE FIRST WEEK IN FEBRUARY. OUR POINT OF CONTACT FOR THAT PURPOSE WILL BE ROBERT MCFARLANE, NOW HERE IN THE WHITE HOUSE, WHO HAS WORKED ON THESE MATTERS WITH SIR ROBERT ARMSTRONG IN THE PAST. AS TO THE ACTUAL CONDUCT OF THE MEETING, I WOULD ENVISAGE A SMALL INTERAGENCY TEAM ON OUR SIDE WHICH WOULD BE ABLE TO PROVIDE YOUR SIDE WITH THE INFORMATION IT MIGHT NEED.

WITH WARM PERSONAL REGARDS.

SINCERELY,

RON

0198

DECLASSIFIED
NLRR F020711 #29026
BY CW NARA DATE 7/31/08

~~TOP SECRET~~

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~TOP SECRET~~

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK *wpc*

SUBJECT: Reply to Prime Minister Thatcher

On January 21, Mrs. Thatcher sent you a message on the back channel asking that we receive a high-level delegation to discuss possible purchase by the United Kingdom of the D-5 Trident submarine-launched ballistic missile.

The reply attached for your approval responds affirmatively to the Prime Minister's request, specifying timing, format, and point of contact.

RECOMMENDATION

That you approve the reply to Mrs. Thatcher at Tab A.

Approve _____ Disapprove _____

Attachments

Tab A Reply to Mrs. Thatcher

Tab B Thatcher message to you

Approved - send letter - wpc

~~TOP SECRET~~

29028

THE WHITE HOUSE

WASHINGTON

TO: PRIME MINISTER MARGARET THATCHER
10 DOWNING STREET

VIA: CABINET LINE

Dear Margaret:

Many thanks for your January 21 letter on the D5 missile system. Your proposal for early talks here in Washington concerning conditions of availability makes excellent sense, and I see no reason why we should not firm up arrangements to meet with your people as soon as possible.

If convenient for your side, I would suggest a meeting the first week in February. Our point of contact for that purpose will be Robert McFarlane, now here in the White House, who has worked on these matters with Sir Robert Armstrong in the past. As to the actual conduct of the meeting, I would envisage a small interagency team on our side which would be able to provide your side with the information it might need.

With warm personal regards.

Sincerely,

Ron

DECLASSIFIED

NLRR FDZ-071/1 #29028

BY CN NARA DATE 7/31/08

~~TOP SECRET~~

National Security Council
The White House

7

Package # 90024

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>Int</u>	_____
Bud McFarlane	<u>2</u>	<u>✓</u>	_____
Jacque Hill	<u>3</u>	_____	<u>J</u>
Judge Clark	<u>4</u>	_____	<u>A</u>
John Poindexter	<u>5</u>	<u>Int</u>	_____
Staff Secretary	<u>6</u>	_____	_____
Sit Room	_____	_____	_____

1-25 OP
10.

I-Information A-Action

DISTRIBUTION

CY To VP	_____	Show CC	_____
CY To Meese	_____	Show CC	_____
CY To Baker	_____	Show CC	_____
CY To Deaver	_____	Show CC	_____
Other	_____		

COMMENTS

Cable has gone.

Judge,
It would be good if you would
hand carry this up this morning.
It is very sensitive and should
have limited access. We want British
to come next week. *John*

930

~~TOP SECRET~~

MEMORANDUM

NATIONAL SECURITY COUNCIL

January 25, 1982

~~TOP SECRET~~

ACTION

MEMORANDUM FOR BUD MCFARLANE

FROM: DENNIS HAIG

SUBJECT: Consultations with the UK on Trident Missiles

Following up our conversation of Saturday, I have canvassed both State and DOD concerning the British request to send a team over next week to discuss the purchase of the D-5 missile. My initial conversations have surfaced three separate issues:

-- Preparation time. Both State and DOD say that they will be ready to meet the British delegation by next week. The reply to Thatcher therefore invites the British delegation for the first week in February.

-- Point of contact. DOD has a memo on the way explaining why it should have the lead on this issue. In order not to prejudge the issue, the reply to Mrs. Thatcher specifies me as the point of contact;

-- Chairman of our delegation. DOD has been in communication with the MoD for about a year on the Trident program. The primary channel has been the Perle - Hastie-Smith "Defense Working Group." Weinberger is about to sign a memo to Judge Clark requesting that Perle chair our delegation that meets with the Brits on the D-5 issue. You are familiar with Haig's view that his department has the lead on all US-UK nuclear issues. I see no way to resolve this at less than the Clark - Haig - Weinberger level. Once Weinberger's memo arrives, I will staff it with this recommendation.

On substance, I favor DOD having the lead. State should be kept informed to register concerns, or raise issues to higher levels if necessary. I do not think it is something we ought to lead from the White House, although we should be kept informed.

Attached is a memorandum to Judge Clark to get the reply to Thatcher moving and to alert him to the bureaucratic issue.

RECOMMENDATION

That you forward the attached package to Judge Clark.

Approve DM Disapprove _____

Attachment

As stated

~~TOP SECRET~~

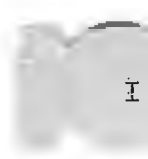
Review on 1/25/88

~~TOP SECRET~~

DECLASSIFIED

NLRR M08-193 # 29029

BY KML NARA DATE 6/10/10





~~TOP SECRET~~

SYSTEM II
90024

29030

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~TOP SECRET~~

January 25, 1982

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: DENNIS *DB* BLAIR

SUBJECT: Presidential Reply to Message from
Prime Minister Thatcher

Thatcher sent a message to the President (Tab B) last Thursday requesting that we receive a high-level British delegation to discuss possible purchase by the United Kingdom of the Trident D-5 missile.

The reply for the President's approval at Tab A welcomes the visit next week, and designates me as the point of contact for the visit.

In the next few days we need to decide whether Defense or State will lead our delegation. Memoranda are on their way to you on this subject which I will consolidate. Once that bureaucratic decision is made, the substantive preparations for the visit of the British delegation will be relatively simple, and are largely complete. We are committed to selling the British the missile; the primary issue is the price.

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Approve *DB* Disapprove _____

Attachments

- Tab I Memorandum to the President
- Tab A Reply for President's Approval
- Tab B Thatcher message to the President

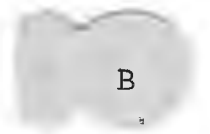
~~TOP SECRET~~

Review on 1/25/88

~~TOP SECRET~~

DECLASSIFIED
NLRR M09-193 #29030
BY RW NAR. TE 1/16/15

11



WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

Withdrawer

DLB 10/18/2006

File Folder

UNITED KINGDOM (01/25/1982-02/11/1982)

FOIA

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COLLINS

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56

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29031	CABLE #211550Z JAN 82; LETTER - THATCHER TO REAGAN	2	1/21/1982	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

RECEIVED 27 JAN 82 13

TO CLARK

FROM WEINBERGER, C

DOCDATE 25 JAN 82

KEYWORDS: GREAT BRITAIN

NUCLEAR MATTERS

CM

SUBJECT: DISCUSSIONS W/ BRITISH RE ACQUISITION OF TRIDENT D5 MISSILE

ACTION: PREPARE MEMO FOR CLARK

DUE: 31 JAN 82 STATUS C

FILES SII

FOR ACTION

FOR CONCURRENCE

FOR INFO

BLAIR

COMMENTS

DECLASSIFIED
NLRR MID-337#29032
BY RW NARA DATE 7/25/12

REF #

LOG 8290024

8290027

NSCIFID

(B / B)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

C 2/01 OBE per Pomdexter

DISPATCH

W/ATTCH FILE

(C)

National Security Council
The White House

OBE

Package # 90028

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>[Signature]</u>	
Bud McFarlane	<u>2</u>	<u>RCM</u>	
Jacque Hill	<u>3</u>	<u>[Signature]</u>	
Judge Clark	<u>4</u>	<u>[Signature]</u>	<u>A</u>
John Poindexter	<u>5</u>		
Staff Secretary			
Sit Room			

I-Information A-Action

DISTRIBUTION

CY To VP		Show CC	
CY To Meese		Show CC	
CY To Baker		Show CC	
CY To Deaver		Show CC	
Other	_____		

COMMENTS

"Sensitive" memo not needed.
Judge spoke to Cope and Al.
Bud McF. will head delegation.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON~~TOP SECRET/SENSITIVE~~ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK

SUBJECT: Discussions with the British
on the D-5 Missile

OBE

Next week Mrs. Thatcher is sending a high-level delegation (Assistant-Secretary level) to discuss the possible purchase of the Trident D-5 submarine launched ballistic missile. Last August, when you chose the D-5 for our Navy, you offered to sell it to the British. We had agreed in 1980 to sell the British the less capable C-4 missile, but it now appears that they wish to take you up on your offer of the D-5. The primary issue is price.

We want to give them a good deal, but we also want them to apply some of the price break to improving their armed forces in other ways.

Still at issue is who will lead our delegation: State, Defense, or the NSC Staff? It is a difficult issue and Cap and Al each feels that he should be in charge.

At the beginning of the Administration last year, you assigned to Al the responsibility for dealing with the British on "strategic nuclear cooperation matters." Your decision marked a change from previous Administrations, which had handled these issues directly out of the White House. The British have always handled them through the Prime Minister's cabinet office. In the past year, State and the British cabinet office have discussed and worked out several sensitive policy issues concerning nuclear forces. Defense has not been involved in these exchanges, and in fact does not even know they took place.

The D-5 Trident issue involves hardware, and eventually DoD will have to assume the lead in actually selling and delivering it to the British. The question is the point at which they assume the lead -- now or later? The delegation the British

~~TOP SECRET/SENSITIVE~~
Review on 1/29/1988

DECLASSIFIED

NLRR MDR-193 #29033

BY RW NA ATE 1/16/15

send next week will be headed by their representative from the cabinet office. They would be surprised to find a Department of Defense official chairing our delegation; indeed they have taken some pains to avoid their Ministry of Defence dominating their delegation. For consistency on our side, and because there are significant political and arms control implications in the talks, it would be logical for State to chair our delegation, which would include representatives from the NSC Staff and DoD. Al Haig feels strongly that we are still in the policy stage of these negotiations, and under the instructions you gave him a year ago, he should still be in the lead.

As Cap's memo attached argues, however, the question of the D-5 missile is closely linked to the more general discussions which the Defense Department has already been conducting with the British Ministry of Defence, and eventually Defense will have to take over to implement the sale of the missiles.

The third possibility is for the NSC Staff to chair the delegation. This returns to the practice of past Administrations and would be Prime Minister Thatcher's preference. Al would probably resist it strongly. There is no substantive reason to shift the lead to the White House, as State has handled the job competently in the past year. However the selection of the NSC Staff would have the virtue of avoiding a choice between State and Defense.

There is one compromise choice. Bud McFarlane is my Deputy at the NSC, but still officially retains his title of Counselor in the State Department. He has been handling these issues at State for the past year. Were he chosen to lead because of his "two hats," it would be easier for Al to accept, and I think I could sell the idea to Cap.

This is a close call. I know Cap and Al both feel strongly about it. For Al, it is a question of his role as your executor of foreign policy. Cap does not know the previous exchanges between State and the British cabinet office and the fact that you gave the lead to State last year, and for him it is a simple hardware issue that he should be in charge of. Once you decide who should take it, we need to consult about the best way to break the news to the other.

RECOMMENDATION

That you designate, my Deputy, Bud McFarlane, to head our delegation.

Approve _____ Disapprove _____

Attachment

Tab A Memo from Secretary of Defense

System II

National Security Council
The White House

Package # 90028

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	_____	_____	_____
Bud McFarlane	_____	_____	_____
Jacque Hill	_____	_____	_____
Judge Clark	_____	_____	_____
John Poindexter	<u>1</u>	<u>JP</u>	_____
Staff Secretary	<u>2</u>	_____	<u>A</u>
Sit Room	_____	_____	_____

I-Information A-Action

DISTRIBUTION

CY To VP	_____	Show CC	_____
CY To Meese	_____	Show CC	_____
CY To Baker	_____	Show CC	_____
CY To Deaver	_____	Show CC	_____
Other	_____		

COMMENTS

Make this System II.
JP

SYSTEM II
90028

THE WHITE HOUSE
WASHINGTON

January 27, 1982

~~SECRET~~

Dennis Blair

Subject: US-UK D-5 Negotiations

The attached memo from Sec Weinberger was delivered personally this morning to Judge Clark. It raises the question of who will chair the US side.

Please prepare a memo for the Judge covering a memo to the President to resolve this issue. Factor in the rationale in the attached as well as the State position (from Bob Blackwill). Please forward this as soon as possible (cob Thursday).

Many thanks

Bud


dlb

10/16/06

OFFICE OF THE SECRETARY OF DEFENSE

THE MILITARY ASSISTANT

1/25

SEC DEF

I believe it is important
that the D-5 negotiations be
conducted by a DOD-Chaired
team. Pele is clearly the
best qualified to see that our
interests are kept paramount.

VR,

Carl

~~SECRET~~

SYSTEM II 29034
90028



THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

MEMORANDUM FOR JUDGE CLARK, ASSISTANT TO THE PRESIDENT,
NATIONAL SECURITY COUNCIL

SUBJECT: UK TRIDENT II Purchase (S)

(S) We understand that the UK Government has decided to acquire our TRIDENT II (D-5) missile. The Prime Minister has asked for US Government agreement to meet with a British team in Washington early in February to discuss price, terms and other details. The British team is to be led by a Cabinet Office official and will include Foreign Office as well as Defense Ministry participation.

(S) It appears that the British desire^{is} to disengage the TRIDENT II discussions from those of the US/UK Working Group that has attempted since last summer to find ways to conserve Ministry of Defense appropriated funds to offset reductions to the Royal Navy and other UK programs. Toward this end the US/UK Working Group has been exploring ways to save money through collaborative programs. Gr.

(S) The US/UK Working Group, which is led by Richard Perle, is organized as a DoD/Ministry of Defense body (with participation from State), in accordance with the nature of the subject matter. It has discussed potential savings that might be realized from British acquisition of TRIDENT II and a concomitant reduction of research and development and other charges that would be assessed to the UK as a consequence of the TRIDENT II purchase. In deference to British sensitivities regarding the allocation of their resources, we have agreed not to link the TRIDENT discussions explicitly with the Working Group activities, but to conduct them in parallel under the leadership of Richard Perle and, for the Ministry of Defense, Richard Hastie-Smith.

(S) I am concerned that the work and purpose of the US/UK Working Group, which has already identified significant savings that could be applied to UK programs, and produced a working memorandum in October (see Tab A)* not be diluted as a result of a completely separate set of negotiations on TRIDENT, outside the DoD/Mod framework. The acquisition of TRIDENT II is a defense issue, and rightfully should be dealt with in defense channels.

* Note especially underlined portions.

Classified by:
Review on: 25 JAN 1988

DECLASSIFIED

NLRR M193 #29034

BY KML NARA DATE 10/13/10

~~SECRET~~

~~SECRET~~

2

(S) I trust you will agree that DoD should retain the lead on the TRIDENT negotiation, with Richard Perle as Chairman for the US side, so as to realize as fully as possible the defense benefits that will accrue to both the US and the UK as a result of the British purchase.

~~SECRET~~

DECLASSIFIED

NLRR: FD2-0711 # 29035

~~SECRET~~

29035
6 OCTOBER 1981

RW
18/5/11
NARA DATE

PROGRESS REPORT OF THE US/UK WORKING GROUP

ON THE DEFENSE PROGRAM

1. THIS NOTE SUMMARIZES THE OUTCOME OF DISCUSSIONS OF THE JOINT WORKING GROUP.
2. THE AIMS OF THE GROUP WERE: TO IDENTIFY WAYS AND MEANS OF FREEING RESOURCES THROUGH US/UK COOPERATION; AND TO RECOMMEND HOW SUCH RESOURCES COULD BE EMPLOYED TO BEST ADVANTAGE IN ORDER TO ENHANCE THE READINESS AND AVAILABILITY OF UK MARITIME FORCES WITHIN AND WITHOUT THE NATO AREA.
3. THE GROUP FIRST REACHED AGREEMENT ON A NUMBER OF POINTS OF PRINCIPLE WHICH WERE FUNDAMENTAL TO THE CONDUCT OF THE DISCUSSIONS. FIRST, THE MAIN OBJECTIVE WAS TO SEARCH FOR POSSIBLE WAYS OF ENHANCING CAPABILITIES IN A NUMBER OF DISCRETE AREAS INCREMENTAL TO, BUT CONSISTENT WITH, THE FRAMEWORK OF THE UK DEFENSE PROGRAM AS SET OUT IN THE WHITE PAPER COMMAND 8288 AND SUBSEQUENT STATEMENTS IN PARLIAMENT. SECOND, SUCH HELP AS THE US COULD OFFER BY CLOSER COOPERATION MUST BE FULLY JUSTIFIED TO CONGRESS; AND THIS COULD BEST BE ACHIEVED BY DEMONSTRATING THAT ANY ACTION FLOWING FROM THE GROUP'S RECOMMENDATIONS WAS CHANNELLED INTO AREAS WHICH WOULD ENHANCE THE MARITIME STRENGTH OF THE ALLIANCE. THIS WAS UNDERSTOOD BY THE UK AND IN NO WAY INTERPRETED BY THEM AS A DICTATION ON HOW FUNDS SHOULD BE EMPLOYED. THIRD, IT WAS CLEARLY ESTABLISHED THAT ANY RECOMMENDATIONS BY THE GROUP WERE SUBJECT TO THE OUTCOME OF THE UK'S RECASTING OF THEIR OVERALL DEFENSE PROGRAM AND THAT THIS WOULD NOT BE FULLY REVEALED UNTIL TOWARD THE END OF 1981 OR EARLY 1982. IN THE EVENT OF SIGNIFICANT PROGRAM CHANGES, THE ARRANGEMENTS DETERMINED IN THESE DISCUSSIONS WOULD HAVE TO BE REVIEWED.

~~SECRET~~

~~SECRET~~ US/UK EYES ONLY

NOTE OF MEETINGS OF US/UK DEFENSE REVIEW WORKING GROUP

HELD ON 5/4 OCTOBER 1981

DECLASSIFIED

1. LIST OF RECOMMENDATIONS AND ACTIONS TO BE TAKEN

NLRR M08-193 #29036

ITEM 1 - TRIDENT

BY KML NARA DATE 6/10/10

A. BASING/SUPPORT CONSIDERATIONS.

JOINT US/UK STUDY WILL ADDRESS OPTIONS FOR SUPPORTING TRIDENT MISSILES AT KING'S BAY, GEORGIA. US EXPECTS TO COMPLETE ITS PORTION BY DECEMBER, AND THE UK EXPECTS TO COMPLETE ITS PART BY FEBRUARY 1982.

THE UK WILL PRODUCE TWO ADDITIONAL PAPERS ADDRESSING CONSIDERATIONS FOR (A) TRAINING OF UK PERSONNEL BY THE US AND (B) THE BASING OF UK TRIDENT SUBMARINES IN THE US.

B. TRANSFER OF SURPLUS POLARIS MATERIAL

UK TO PRODUCE LIST OF ITEMS REQUESTED FOR TRANSFER IN ADDITION TO POLARIS ROCKET MOTORS. SSPO TO SET INITIAL PRICES.

US AGREES IN PRINCIPLE, AD REFERENDUM, TO THE TRANSFER OF THESE MATERIALS AT LOWEST PERMISSIBLE COST.

C. FACILITIES SURCHARGE

US AGREES IN PRINCIPLE, AD REFERENDUM, TO THE MAXIMUM PERMISSIBLE REDUCTION OF THESE CHARGES.

D. PROVISION OF ADVANCED RANGE INSTRUMENTATION SHIP (ARIS)

UK GROUP TO REVIEW ARIS SITUATION AFTER UK MISSILES TESTS IN JANUARY 1982.

E. C4/DS MISSILE SYSTEM PROGRAM COSTS AND R&D LEVY

WORK IS PROCEEDING ON THE JOINT STUDY OF PROGRAM COSTS.

ITEM 2 - NON-TRIDENT CASH FLOW CONSIDERATIONS

A. THE US TEAM INDICATED THAT A NUMBER OF OUTSTANDING BILLS FOR SERVICES RENDERED BY THE UK TO US FORCES HAD ALREADY BEEN PAID. IT SUBMITTED A LIST OF ALL OSTENSIBLY OUTSTANDING UK BILLS, INDICATING THOSE WHICH HAD ALREADY BEEN PAID.

- B. THE US TEAM FURNISHED THE UK WITH A LIST OF KEY MILITARY CONTACTS FOR RESOLUTION OF OTHER OUTSTANDING MATTERS.
- C. THE US INDICATED THAT WERE HMG TO ALTER ITS RULES REGARDING PAYMENT OF OUTSTANDING BILLS, THERE APPEARED TO BE NO SIGNIFICANT PROBLEMS WITH US COMPLIANCE. CURRENT BILLS MUST BE DEALT WITH UNDER PRESENT PROCEDURES, HOWEVER.
- D. THE UK WILL FORMULATE NEW PROPOSALS FOR PAYMENTS FOR GOODS AND SERVICES RENDERED.

ITEM 3 - NAVAL FORCE LEVELS AND SHIP AVAILABILITY

IMPROVING STAND-BY SQUADRON READINESS

GROUP AGREED THAT EMPHASIS SHOULD BE PLACED ON ADDING SURFACE COMBATANTS TO THE ACTIVE FLEET. INCREASED SBS READINESS TO BE SECOND PRIORITY. UK TO FURNISH DETAILED COSTS OF ADDING SHIPS TO ACTIVE FLEET BY SHIP/BY YEAR.

ITEM 4 - USE OF PORTSMOUTH BY US NAVY

US WILL UNDERTAKE A MAJOR STUDY OF HOMEPORTING OPTIONS FOR BATTLESHIPS, A MARINE AIR/GROUND TASK GROUP, MARITIME PREPOSITIONING SHIPS AND OTHER POSSIBLE UNITS AT PORTSMOUTH. UK TO PROVIDE LIST OF FACILITIES TO BE RUN DOWN IN 1982. US STUDY TO BE COMPLETED WITHIN SIX MONTHS.

ITEM 5 - SHIP ACQUISITION

A. STROMNESS AND TIDESPRING

US AGREED, IN PRINCIPLE, AD REFERENDUM, TO EVALUATE STEPS LEADING TO THE PURCHASE/CHARTER OF STROMNESS AND TIDESPRING.

B. INVINCIBLE/CVS

US WILL UNDERTAKE A COST/EFFECTIVENESS STUDY OF ACQUIRING INVINCIBLE.

ITEM 6 - AMPHIBIOUS FORCES

UK TO PROVIDE US WITH STUDY OF AMPHIBIOUS LIFT.

ITEM 7 - OUT-OF-AREA OPERATIONS

A. UK INDIAN OCEAN DEFENSE EFFORTS

UK PRESENTED PAPER SUMMARIZING CURRENT AND PROPOSED ACTIVITIES IN INDIAN OCEAN.

B. PROVISION OF US LOGISTICS SUPPORT

UK TO (A) PROVIDE POLITICAL ASSESSMENT OF RELIANCE ON US SUPPORT FACILITIES IN INDIAN OCEAN/CARIBBEAN (B) ANALYSIS OF POTENTIAL SAVINGS ARISING FROM SUCH SUPPORT.

C. AIRLIFT FOR 8TH FIELD FORCE

UK TO PROVIDE PAPER OUTLINING NATURE OF AIR LIFT REQUIREMENTS FOR 8TH FIELD FORCE.

ITEM 8 - WEAPONS SYSTEMS IMPROVEMENT

A. OTH-B RADAR

UK TO RESPOND TO PRELIMINARY US PAPER

B. IMPROVEMENTS TO SURFACE COMBATANTS WEAPONS SYSTEMS

US AND UK TO PRODUCE SEPARATE PAPERS ON BOLT-ON SYSTEMS.

ITEM 9 - GIBRALTAR

UK TO PROVIDE FURTHER INFORMATION FROM CURRENT STUDIES ON POTENTIAL FOR USN USE OF DOCKYARD.

RECOMMENDATIONS

FUNDS RELEASED

MEASURES TO ENHANCE AVAIL-
ABILITY (IN ORDER OF
PRIORITY)

1. SUPPLY OF SURPLUS POLARIS MATERIAL (UP TO \$28 MILLION)

1. CONVERTING THE MAXIMUM POSSIBLE NUMBER OF SHIPS IN SBS TO A1

{OR}

INCREASING SBS READINESS FOR UP TO 8 SHIPS (AT LEAST \$67 MILLION P.A.)

2. R&D LEVY {AWAITS FURTHER STUDY}

2. MAINTAINING MPA DEPLOYMENT IN INDIAN OCEAN AT 6 DETACHMENTS PER ANNUM {\$2 MILLION P.A.}

3. FACILITIES CHARGES. {UP TO \$56.4 MILLION FOR C-4; OR UP TO \$76.4 MILLION FOR D-5}

4. SHIP ACQUISITION - {SUBJECT TO FURTHER CONSIDERATION BY UK ON MARKETABILITY}

A. STROMNESS {\$13.5 MILLION}

B. TIDESPING {\$3.5 MILLION}

~~SECRET~~

ANNEX C

- {II} US AND UK TO STUDY OPTIONS FOR SUPPORTING TRIDENT MISSILES SUPPLIED BY US TO UK IN THE UNITED STATES THEREBY REDUCING THE COST TO THE UK OF CAPITAL WORKS REQUIRED TO EXTEND THE RNAD AT COULPORT.

- {III} US/UK TO STUDY THE IMPLICATIONS OF BASING US WARSHIPS AT PORTSMOUTH THEREBY HELPING TO SUSTAIN A SOMEWHAT LARGER SUPPORT FACILITY THAN UK CURRENTLY PLANS.

- {IIII} US TO EXTEND COOPERATION IN SUPPLYING LOGISTIC/TANKER SUPPORT IN CARIBBEAN AND INDIAN OCEAN TO DEPLOYED HM SHIPS.

- {IV} US TO USE GOOD OFFICES TO ENABLE UK TO CONTINUE TO USE THE AUTEK RANGE AT FAVORABLE RATES.

- {V} US/UK TO PURSUE INFORMATION EXCHANGE ON THE DISPOSAL OF NUCLEAR POWER SUBMARINES.

- {VI} US/UK TO REVIEW ARRANGEMENTS FOR BILL PAYING FOR UK SERVICES RENDERED TO THE US FORCES IN EUROPE.

~~SECRET~~

RECEIVED 27 JAN 82 13

TO CLARK

FROM MCFARLANE

DOCDATE 27 JAN 82

KEYWORDS: GREAT BRITAIN

NUCLEAR MATTERS

SUBJECT: DISCUSSIONS W/ BRITISH RE ACQUISITION OF TRIDENT D5 MISSILE

ACTION: FOR DECISION

DUE:

STATUS C

FILES SII

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

DECLASSIFIED

NLRR MID-337#29037

BY RW NARA DATE 7/25/12

COMMENTS

REF#

LOG 8290024

8290028

NSCIFID

(B / B)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

- 1/27 old log 8200445

c 1/27 Clark's gd memo

DISPATCH

D Sheet

W/ATTCH FILE

(C)

~~TOP SECRET~~

THE WHITE HOUSE

WASHINGTON

~~TOP SECRET~~/SENSITIVE

January 27, 1982

MEMORANDUM FOR THE HONORABLE ALEXANDER M. HAIG, JR.
The Secretary of State

THE HONORABLE CASPAR W. WEINBERGER
The Secretary of Defense

SUBJECT: Discussions with the British on Acquisition
of the D5 Missile (TS)

In reply to a request from Prime Minister Thatcher, the President has agreed to receive as early as the first week in February "a small team of senior officials" to "explore . . . the possibility of (the United Kingdom) buying the D5." The U.S. team will include representatives from the Departments of Defense and State and the National Security Council Staff. In preparation for the meeting, the Departments of State and Defense are requested to submit a joint paper covering the topics listed below. Indicated in parentheses is the department which will take the lead in preparing each topic in the paper. Differences in position between the departments will be indicated in the paper by brackets. It is requested that the papers be completed by COB Thursday, January 28.

Topics to be included in the paper:

- An assessment of British objectives (State)
 - for the February meeting
 - for the D5 purchase
- The history of the C4 negotiation and agreement (Defense) as a precedent for these negotiations
 - price
 - quids
- Implications of British purchase of the D5
 - military (Defense)
 - arms control (State)

DECLASSIFIED

~~TOP SECRET~~/SENSITIVE

Review 1/26/2002

Classified & Extended by Judge Clark

Reason: NSC 1.13(f)

NLRR M193 #29038

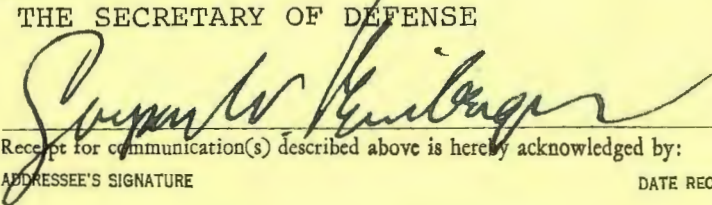
BY KML NARA DATE 10/13/10

~~TOP SECRET~~

- Cost data (Defense)
 - projected cost to the UK of the missile system
 - range of possible R&D costs to the UK
- Implications of alternative R&D charges to the UK
 - military (Defense)
 - political (State)
- Alternative U.S. strategies for the February discussions
 - scenarios (State)
 - quids (Defense)
 - bottom lines (State/Defense)

wpc

William P. Clark

RETURN THIS RECEIPT IMMEDIATELY TO BT MERCHANT	REGISTRY NO. <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 5px;"> 90027 </div>
UNCLASSIFIED DESCRIPTION <i>(Serial No., File No., Subject)</i>	DATE 27 JAN 1982 INCLOSURES NONE
ADDRESSEE THE SECRETARY OF DEFENSE 	
Receipt for communication(s) described above is hereby acknowledged by: ADDRESSEE'S SIGNATURE DATE RECEIVED	
TO BE RETURNED TO THE WHITE HOUSE OFFICE <small>CLASSIFIED MATERIAL RECEIPT 16-70499b-1 GPO</small>	

BT
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THE WHITE HOUSE OFFICE
1600 PENNSYLVANIA AVENUE NW.
WASHINGTON, D.C. 20500

7/17

IBS

~~TOP SECRET~~

~~445~~

29039

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~TOP SECRET/SENSITIVE~~

January 27, 1982

ACTION

MEMORANDUM FOR JUDGE CLARK

FROM: BUD MCFARLANE *BM*
SUBJECT: Discussions with the British on Acquisition
of the Trident D5 Submarine-Launched Trident
Missile (TS)

Tuesday afternoon I chaired a meeting of State and Defense representatives to brainstorm our preparations for the discussions next week with the British. As you know, the British are considering purchase of the D5 missile, and on Prime Minister Thatcher's personal request, the President has agreed to receive a high-level team to discuss the purchase. (TS)

Attached at Tab I for your signature is a memorandum to State and Defense to task them formally to prepare the papers we will need for the discussions. The tasker reflects the consensus we achieved at the meeting Tuesday afternoon, and State and Defense are in agreement in our basic approach to the discussions. (TS)

We still have to decide who will lead the U.S. team -- State, Defense or the NSC. Cap Weinberger is sending you a memo on the subject, and when we receive it, we will analyze the options for your consideration. (TS)

RECOMMENDATION

That you sign the memorandum at Tab I.

Approve *Clark* Disapprove _____

~~TOP SECRET/SENSITIVE~~

Review 1/26/2002

Classified & Extended by Judge Clark

Reason: NSC 1.13(f)

~~TOP SECRET~~

DECLASSIFIED

NLRR MD9-193 #29039

BY RW NARA DATE 1/16/15

NATIONAL SECURITY COUNCIL DISTRIBUTION RECORD

Log Number: 90027-II

Date: 27 JAN 1982

Subject: UK DISCUSSIONS

33

CLASSIFICATION: ~~FOR SECRET~~ SECRET CONFIDENTIAL UNCLASSIFIED

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| <input type="checkbox"/> Judge Clark | <input type="checkbox"/> Mr. Fontaine | <input type="checkbox"/> Mr. Nau | <input type="checkbox"/> NSC Secretariat |
| <input type="checkbox"/> Adm. Nance | <input type="checkbox"/> Ms. Gold | <input type="checkbox"/> Mr. Pipes | <input type="checkbox"/> Sit Room |
| <input type="checkbox"/> Adm. Poindexter | <input type="checkbox"/> Mr. Gregg | <input type="checkbox"/> Ms. Reger | <input type="checkbox"/> Admin. Office |
| <input type="checkbox"/> Mr. Bailey | <input type="checkbox"/> Mr. Guhin | <input type="checkbox"/> Mr. Rentschler | <input type="checkbox"/> |
| <input type="checkbox"/> Col. Berta | <input type="checkbox"/> Mr. Jennings | <input type="checkbox"/> Col. Russell | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> 1 Cmdr. Blair | <input type="checkbox"/> Mr. Kemp | <input type="checkbox"/> Maj. Shoemaker | <input type="checkbox"/> |
| <input type="checkbox"/> Ms. Colson | <input type="checkbox"/> Maj. Kimmitt | <input type="checkbox"/> Mr. Stearman | <input type="checkbox"/> |
| <input type="checkbox"/> Mr. De Graffenreid | <input type="checkbox"/> Mr. Kraemer | <input type="checkbox"/> Mr. Tanter | <input type="checkbox"/> |
| <input type="checkbox"/> Ms. Dobriansky | <input type="checkbox"/> Mr. Lenz | <input type="checkbox"/> Mr. Tyson | <input checked="" type="checkbox"/> 1 MR. MCFARLANE |
| <input type="checkbox"/> Mr. Feith | <input type="checkbox"/> Mr. Levine | <input type="checkbox"/> Mr. Weiss | <input type="checkbox"/> |
| | <input type="checkbox"/> Mr. Lord | <input type="checkbox"/> Mr. Wattering | <input type="checkbox"/> |

EXTERNAL DISTRIBUTION:

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THE SECRETARY OF STATE Exec sec/room 7241	ORIGINAL	1-27-82	335	<i>[Signature]</i>
THE SECRETARY OF DEFENSE The Pentagon	1	1/27/82	2145	<i>[Signature]</i>
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DIRECTOR CIA Langley, VA/or Pickup				
CHAIRMAN, JCS The Pentagon				
THE SECRETARY OF THE TREASURY Main Bldg/Room 3422				
THE SECRETARY OF COMMERCE 14th & Const. Ave. NW, Room 3422..				
DIRECTOR, OMB Room 252 OEOB				
DIRECTOR AID Room 5942 New State				
THE SECRETARY OF ENERGY GA257, Forrestal Bldg.				
THE SECRETARY OF TRANSPORTATION 400 7th Street S.W.				
U.S. REPRESENTATIVE TO UNITED NATIONS Room 7531/State Dept				
THE ATTORNEY GENERAL 10TH/Const. NW, Room 5119				
DEPUTY SECRETARY OF STATE Exce. Sec/Room 7241				
DEPUTY SECRETARY OF DEFENSE The Pentagon				
DIRECTOR OSTP Room 360, OEOB				
DIRECTOR, INTL COMMUNICATIONS AGENCY (ICA) 1750 Penna. NW				
THE SECRETARY OF INTERIOR 18th & E. Street NW				
THE SECRETARY OF AGRICULTURE Independence & 14th SW				
THE SECRETARY OF LABOR 100 Const Ave NW				
THE SECRETARY OF HHS 100 Independence Avenue, NW				
THE SECRETARY OF HUD 251 7th Street SW				

National Security Council
The White House

34

Package # 90027

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	_____	_____	_____
Bud McFarlane	_____	_____	_____
Jacque Hill	_____	_____	_____
Judge Clark	_____	_____	_____
John Poindexter	<u>1</u>	<u>JW</u>	_____
Staff Secretary	<u>2</u>	_____	<u>DISPATCH</u>
Sit Room	_____	_____	_____

I-Information A-Action

DISTRIBUTION

CY To VP	_____	Show CC	_____
CY To Meese	_____	Show CC	_____
CY To Baker	_____	Show CC	_____
CY To Deaver	_____	Show CC	_____

Other _____

COMMENTS

Contacts
Copy to: Dennis Blain *done PM*
Bud McFarlane *1/27*

Brian,
Also change to System II.
Make memo to State & Def EYES ONLY

6A

2/2 3
90042

Brian --

FYI: After RCM's signature, Dennis Blair took the original and will handle the dispatch and delivery of the memo to addressees.

Attached are two copies for your disposition as appropriate for SYSTEM II.

Thanks, Wilma

RECEIVED 02 FEB 82 11

TO MCFARLANE

FROM BLAIR

DOCDATE 01 FEB 82

KEYWORDS: GREAT BRITAIN

NUCLEAR MATTERS

SUBJECT: MEETINGS W/ UK RE TRIDENT D-5 MISSILE

ACTION: MCFARLANE SGD MEMO TO AGENCIES DUE:

STATUS C FILES SII

FOR ACTION

FOR CONCURRENCE

FOR INFO

COMMENTS

DECLASSIFIED
NLRR MID-337# 29040
BY RW NARA DATE 7/25/12

REF#

LOG

NSCIFID

(B / B)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

DISPATCH

W/ATTCH FILE (C)

~~TOP SECRET~~

59041

System II
90042

THE WHITE HOUSE
WASHINGTON

February 1, 1982

~~TOP SECRET/SENSITIVE~~

MEMORANDUM FOR RICHARD PERLE
Assistant Secretary of Defense for
International Security Policy

RICHARD BURT
Director of Bureau of Political-Military
Affairs, Department of State

SUBJECT: Preparations for Meetings with United Kingdom
on TRIDENT D-5 Missile

As a result of the working group meeting this morning, the following additional information is requested in order to prepare for the meetings with the British delegation, currently scheduled for February 8 and 9, 1982.

STATE:

- o A brief account of the manner in which the NATO allies were informed in 1980 of the TRIDENT C-4 purchased by the United Kingdom;

DEFENSE:

- o A table breaking down the comparative cost data for the C-4 and D-5 systems, showing ranges or approximations where necessary;
- o A table showing the projected expenditures rates over time for the C-4 and D-5 systems;
- o Information on the application of the "three percent FMS surcharge" to the D-5 sale;

~~TOP SECRET/SENSITIVE~~
Review on 1 February 1988

DECLASSIFIED

NLRR MID-337# 29041

BY RW NARA DATE 3/4/13

~~TOP SECRET~~

~~TOP SECRET~~

~~TOP SECRET/SENSITIVE~~

2

- o To the extent that it is available or can be estimated, cost data on the following offsets:
 - Maintenance in active status of UK surface combatants
 - Indian Ocean operations by Royal Navy
 - RAPIER purchase by the United Kingdom
 - U.S. servicing of UK D-5 missiles and warheads
- o Status of discussions of D-5 purchase in the U.S.-UK Defense Working Group.

The next meeting of the working group is tentatively scheduled for 3:30 p.m., Wednesday, February 3, 1982 in the Situation Room. At that meeting, in addition to incorporating the information requested above in the preparatory paper, it is intended to draft the final section of the paper, "U.S. Strategy for the Meeting."


Robert C. McFarlane

~~TOP SECRET/SENSITIVE~~

~~TOP SECRET~~

RECEIVED 12 FEB 82 11

TO PRESIDENT

FROM HAIG, A

DOCDATE 11 FEB 82

STOESSEL, W

11 FEB 82

KEYWORDS: GREAT BRITAIN

NUCLEAR MATTERS

SUBJECT: DISCUSSIONS W/ UK RE TRIDENT D-5 MISSILE

ACTION: PREPARE MEMO FOR CLARK

DUE:

STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

BLAIR

DECLASSIFIED

NLRR MID-337#29042

BY RW NARA DATE 7/25/12

COMMENTS

March negotiations superseded X13
memo - Blair 4/28/82

REF#

LOG 8290024 8290027 NSCIFID

(B/B)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

C 4/28 action completed per Blair DB

DISPATCH

W/ATTCH FILE 511 (C)

**National Security Council
The White House**

Package # 90077

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>HP</u>	_____
Bud McFarlane	<u>2</u>	<u>M</u>	_____
Jacque Hill	<u>3</u>	<u>JH</u>	_____
Judge Clark	<u>4</u>	<u>JC</u>	<u>I</u>
John Poindexter	<u>5</u>	<u>HP</u>	_____
Staff Secretary	<u>6</u>	_____	<u>R</u>
Sit Room	_____	_____	_____

I-Information A-Action R-Retain D-Dispatch

DISTRIBUTION

CY To VP	_____	Show CC	_____
CY To Meese	_____	Show CC	_____
CY To Baker	_____	Show CC	_____
CY To Deaver	_____	Show CC	_____

Other _____

COMMENTS

*For 0930 Briefing
Done*

File System II

SYSTEM II
90077

THE SECRETARY OF STATE
WASHINGTON

82 FEB 6 P2: 11

MEMORANDUM FOR: THE PRESIDENT
FROM: Alexander M. Haig, Jr.
Frank C. Carlucci, III, Acting
SUBJECT: Discussions with the British
Concerning Purchase of the
TRIDENT D-5

WHITE HOUSE
SITUATION ROOM
[Handwritten signature]

6 FEB 1982

Last August, when you announced the U.S. Navy would develop the D-5 missile, you agreed to sell it to the United Kingdom. We know that Prime Minister Thatcher is anxious to announce a decision to buy the D-5 missile if we can agree on a price.

The Prime Minister is sending a delegation to Washington next week to discuss this purchase. Our delegation will be headed by Bud McFarlane, Counselor of the State Department, now acting as Judge Clark's Deputy at the National Security Council.

The British know that the price of the missiles themselves will be about \$3.7B. In addition, our law requires that we charge a pro rata share of the research and development costs of the missile, which depending on the number of missiles they purchase, could amount to about \$700M - \$900M. However, you have the discretion to waive some of this amount, and we believe that it is in the U.S. interest to do so. We anticipate that the British will make a first offer of a package of cash and "offsets" (actions they will take which will save us money) amounting to about \$275M. That leaves a shortfall of about \$400M - \$600M.

We intend to open the negotiation by suggesting to the British an arrangement similar to that agreed two years ago for the TRIDENT I (C-4) missile, in which we forgave on the order of 25% of the R&D, recovered about 25% in cash, and received 50% in the form of offsets. The effect of this would be to

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RDS-3 2/5/2002

NLRR F02-071/1 #29044

BY CA NARA DATE 7/3/08

approximately double both what the UK will pay for R&D, and what we will forgive. The new offsets we will ask for fall in two important areas in which the British are cutting forces and we would otherwise have to take up the slack: maintaining surface naval forces in the North Atlantic, and peacetime presence in the Indian Ocean. If the British agree to do more than they had planned in these two areas, it will save the U.S. Government money and bolster Western defenses.

We do not anticipate that we will be able to complete the negotiations at next week's session. We will make our first offer, the British will make theirs, followed by some clarifying discussions. We will keep you informed as the negotiation progresses.

~~TOP SECRET~~

/SENSITIVE

SYSTEM II
90077

29043

DEPARTMENT OF STATE
WASHINGTON

82 FEB 11 P 9:44

VIP
SITE ROOM

MEMORANDUM FOR: THE PRESIDENT

FROM: Walter J. Stoessel, Jr., Acting
Frank C. Carlucci, III, Acting 11 FEB 1982

SUBJECT: Negotiations with the United
Kingdom on Possible Purchase
of TRIDENT D-5 Missile

As we informed you in an earlier memorandum, on February 8 and 9 we held five hours of negotiations with a delegation sent by Margaret Thatcher on the possible purchase by the United Kingdom of the TRIDENT D-5 missile. At the British request, we are keeping the fact of these negotiations tightly held.

We offered the British an arrangement for the purchase of the missiles similar to that agreed two years ago for the TRIDENT (C-4) missile. Predictably, they told us the price we offered was higher than they wished to pay. However, they agreed to propose to us additional offsets (i.e., increases in their own defense posture in areas where we would otherwise have to assume responsibility ourselves) which could make up at least some of the difference.

We will hold another round of negotiations in about two weeks, after both sides review their positions, and exchange more data. We are optimistic that we can bridge the differences between us, opening the way for an announcement in March that the British will purchase the D-5.

~~TOP SECRET~~

/SENSITIVE

DECLASSIFIED

RDS-3 2/9/2002

NLRR M68-193 #29043

BY KML NARA DATE 6/10/10