MEMORANDUM

NATIONAL SECURITY COUNCIL

1897XX

INFORMATION

March 14, 1980

MEMORANDUM FOR:

ZBIGNIEW BRZEZINSKI

FROM:

JIM THOMSON

SUBJECT:

Meeting on UK Strategic Force Modernization, March 17, 1980, 4:00 PM

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The purpose of this meeting is to review our timing options for the UK Strategic Modernization decision. The paper at Tab A, which I drafted with Molander's and Blackwill's assistance, analyzes the options and forms the basis for the meeting. On its own, State has circulated to DOD and NSC a paper on timing and consultations with Allies, which is not particularly germane, but which I include at Tab B in case it comes up. If you don't have time to read the entire Tab A paper, I suggest you focus on the four timing options that begin on page 7. (TS)

My conclusion, which is shared by Welch, Blackwill and Molander, is that our real options are two: (A) Begin now to move as soon as possible to consummate the deal; (B) Wait until late April to decide, at which time we would either (1) go for 1980 SALT ratification and delay the British decision until late summer (after the instruments of ratification are exchanged) or (2) immediately consummate the UK deal. (TS)

The other two options -- Wait until (C) late summer or (D) mid-1981 -- strike me as risky. The main reason for such delays would be to put SALT ratification behind us (so that the TRIDENT decision does not queer the SALT deal with the Soviets) and -- perhaps -- to avoid complicating the Belgian TNF decision. But SALT would only be helped if the British (and our own bureaucracy) go along quietly. Leaks linking the delay to SALT would be harmful on the Hill. (TS)

With the first option (A), David would soon notify Wade-Gery that we want to meet in late March to complete preparations for an exchange of letters between the President and Prime Minister. The major item on the agenda would be the financial question — the matter of R&D recoupment (discussed in the paper); before going to the British we would have to determine our own position, which is currently in disarray (see end of memo). We could also use the initial meeting with the British to put the Prime Minister's and President's letters in final form (see Tab C) and to discuss our inability to make a firm commitment to supply them the plutonium they will need through the Eighties to build their new warheads. (TS)

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Presuming the talks with the British go well, the first option (A) could lead to a public exchange between the President and Prime Minister within a month. It would be most suitable to the British and — so long as we are not going to try for SALT ratification this year — to us as well. For a number of reasons — dealing with the Soviet reaction in SALT, mitigating the impact on TNF in Belgium and avoiding the appearance of a US — UK conflict over this issue — it is in our interest to get this issue out of the way as soon as possible. (TS)

However, if there is a finite chance that we will try to ratify SALT in 1980, the second option (B) becomes more interesting. A British decision before SALT ratification could create difficulties: the chances that the Soviets would react negatively in the SALT context (e.g., by demanding explicit compensatory SALT provisions) would be increased. Further, the para. 36-b (arms export control) review period on the Hill could overlap the Senate debate on SALT, thus linking and complicating the two legislative processes. Since we will probably have to decide by late April whether to seek ratification in 1980, these considerations could argue for delaying the British decision at least until late April. (T8)

The success of this approach would hinge on ready British acquiescence in it. If they only went along grudgingly, we would risk the possibility of US-UK conflict over the delay and its reason (SALT) leaking out publicly, with adverse consequences for SALT and US-UK relations. One way to secure ready British agreement is to meet their interest in a "date certain": Wade-Gery told David that the British would find a lengthy delay more agreeable if we could promise them a decision by a date certain. We could offer them a variation -- a "double date certain": we would tell the UK that we would promise an announcement either in late April (if we don't seek 1980 ratification) or in late summer (after deposit of instruments, if we do seek 1980 ratification). To prove our bona fides, we could begin preparations for an exchange in late April by scheduling an early April meeting with them.

As you can see, the two options merge toward one, since there is not much difference between an early and late April announcement:

- -- Both provide time for a 36-b review to be completed before Congress recesses for the political conventions.
- -- Both would have roughly the same impact on the Belgian TNF decision.
- -- Both would have roughly the same temporal relationship to events related to informal compliance with SALT I interim agreement (the Soviets must start dismantling a YANKEE SSBN in late spring; we must start dismantling two POLARIS in the summer). (T8)

The key difference is whether we want to continue to link delay in the British decision to the SALT ratification process. If there is little chance of SALT ratification in 1980, there is no point to a link, and we

should put the TRIDENT problem behind us as soon as possible. If there is a chance (which I cannot judge), we may want to continue the link along the lines of the "double date certain," but even this risks an adverse British reaction and possible leaks that could backlash in the Senate. (TS)

I feel that we should get on with it and forget the SALT link. Even if we decide to seek ratification this year, the British decision would be a plus on the Hill. It would also be a vivid demonstration of US - UK solidarity and could perhaps be coupled with some other post-Afghanistan political step. (TS)

## Annex

## R&D Recoupment

It is possible that the DOD - State dispute over this issue could spill out into the meeting, though I hope not because we are not yet ready to decide. The fact is that by current law we are required to collect a pro rata share of our R&D costs; this would mean \$400 million for a UK TRIDENT sale. Under the old POLARIS Sales Agreement's 5 percert surcharge, we would only collect \$100 million.

- -- The DOD staff argues that we should only collect \$100 M and waive the remaining \$300 M in exchange for quids, which are not yet defined but might include British air defense for our bases in the UK, British conventional force improvements, etc.
- -- State argues that we should collect the whole \$400 M.

Without seeing a firm list of proposed quids, it is not possible to judge this issue (and it will not be possible for Congress, which is sure to want to know that we are going to get \$300 M worth). But I note that what DOD has been talking about for quids are identical to the list of things we told the Brits we wanted cooperation on simply as part of our TRIDENT cooperation, not for any "cut-rate" deal. Unless we see something better from DOD, we should collect the whole \$400 M. (TS)

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