

PRIME MINISTER

BILATERAL WITH THE DEFENCE SECRETARY

The Defence Secretary is coming in to see you on Monday at 1400 for a general talk. There are several issues you will want to cover.

The Gulf

He will want to brief you on our military dispositions in the Gulf (although you are to have a full military presentation later in the week).

✓ We are still engaged in discussing strategic objectives with the Americans, as the basis for military planning and targeting. I attach a copy of the paper which we put to them.

✓ Our views on the timing of any military operations are now fairly close. They cannot start before 15 January, unless the Iraqis move first: and the Americans have accepted that they cannot begin later than 15 February. Our forces are unlikely to be ready much before 1 February.

The Defence Secretary will probably want to tell you something of American military planning. They envisage a three-week bombing campaign to obliterate as much of Iraq's military capability as possible, as well as key installations like television and radio transmitters. Only after that would they contemplate moving their ground forces, in the hope of minimising casualties.

Our forces would be under overall American command and would have a fairly prominent role in a ground offensive against Iraqi forces in Kuwait. It is impossible to make anything more than an educated guess at casualties: the Chiefs of Staff are reluctant to commit themselves.

An issue which will come up later next week in OPD(G) is our policy on immunisation against Biological Weapons (as assessment

? Israeli's
CW & BV
Tactical w/b?
- do Iraqis have
them?

of Iraq's chemical and biological weapons capacity is elsewhere in the box). You have already made clear that you cannot see how we could fail to protect our forces if we have a vaccine available, whatever the position of the Americans. Another issue on the military side is planning for release and recovery of the hostages once military operations start.

Finally under this heading you will want to take the Defence Secretary's advice whether you should visit our forces in the Gulf. Possible dates would be immediately after a visit to Washington on 21 December: or in early January next year e.g. the week 4-8 January. There is also the question whether the Defence Secretary should accompany you.

Defence spending

He is likely to tell you how difficult it is going to be to live within his spending laws this year, even though special provision is being made for the cost of our forces in the Gulf.

Procurement decisions

You might ask him about some of the pending procurement decisions. There are signs that the Germans may pull out of the European Fighter Aircraft project: what would we do then? We can hardly afford to go ahead alone with the Italians and Spanish. We are already running behind the decision on a new tank to succeed the Challenger I. There is still no decision on an overall contractor contract for the EH101 helicopter. All these contain potential for expensive disaster.

Political problems

Three other problems which could give rise to political difficulties are:

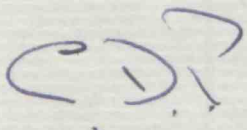
- the corrosion problems which have affected our nuclear submarines. The extent of these is not yet known publicly, but will probably leak eventually. At worst much of our

nuclear submarine fleet including the Polaris deterrent could be out of action for a substantial period;

- the future of individual regiments, including the Gurkhas. This is the old 'cap badge' problem which is likely to come up again because of the reductions in armed forces envisaged by the Options for Change exercise;
- the Directorate-General of Defence Quality Assurance, which is supposed to be re-located to Stockton-on-Tees, a move which is of intense interest to a number of Conservative MPs in the area. But revised assessments of the cost of this move are so great that we may have to change these plans. That would be most unpopular in the North.

Nuclear deterrent

There are no immediate problems here. The Trident programme is coming along quite well, although there could be delays in warhead production because of difficulties at Aldermaston. We shall need a decision soon on a new system for communicating with our Polaris, and later Trident, submarines. The present system is inadequate and vulnerable, but will be very expensive to replace. Further ahead we have to decide on acquisition a tactical air-to-surface missile to replace our free-fall nuclear bombs. In the past we have always bought American: this time there is some pressure to buy French for political reasons. But we do not want to end up with a "diplomatic" weapon.


(C. D. POWELL)

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a:DS (srw)