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Ref. A01265

PRIME MINISTER

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Statement on the Defence Estimates 1980

(C(80) 8)

BACKGROUND

Since OD discussed and generally approved the draft Statement on the Defence Estimates 1980 on 22nd January a number of amendments have been made. Some of these reflect points made in that discussion; others are editorial. One aim of the discussion at Cabinet of the Statement will be to ensure that everybody is content with the amendments. Another will be to allow those members of Cabinet who are not members of OD some insight into what is going on in the defence field; this is almost the only occasion in the year at which that is possible.

HANDLING

2. You will wish to invite the Secretary of State for Defence to introduce the Statement. The ensuing discussion should cover the following points:-
- (a) Following a suggestion at OD, paragraph 3 of the introduction and paragraph 108 now refer to the Afghanistan situation. Is it agreed that these references suitably relate the Statement to the current crisis in world affairs?
  - (b) Paragraph 123 of the Statement has been amended to remove the references in the original paragraph 122 to "controlled escalation", which was one of the NATO cliches about which you expressed doubt at OD on 22nd January. Other cliches such as "flexible response" and "forward defence" remain e. g. in paragraph 120. As before, they are explained (paragraphs 121-122). Are you content with this?
  - (c) Paragraphs 130-135, on Arms Control, have been amended in the light of the Foreign and Commonwealth Secretary's suggestions. Is he now content?

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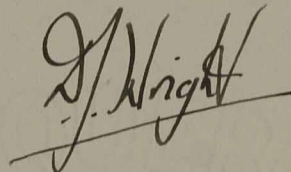
- (d) Paragraph 211 on Chevaline (the Polaris improvement programme) is still in square brackets. This is new since OD, but largely reflects what the Secretary of State for Defence said in the nuclear debate on 24th January. Does the Secretary of State for Defence want this paragraph in or out?
- (e) In regard to "Wider Defence Interests" in Chapter 4, you may care to mention that the Secretary of the Cabinet has set in hand an interdepartmental study of the political and economic case for a United Kingdom military intervention capability outside the North Atlantic Treaty Organisation area in the light of changes in the international situation. The Secretary of State for Defence has been invited thereafter to examine the feasibility and cost of providing that intervention capability, and the implications of doing so for the other four main elements of defence policy.
- (f) Paragraphs 502-509 on Northern Ireland have been discussed between the Secretary of State for Defence and Secretary of State for Northern Ireland. A revised draft of paragraph 502 was circulated to members of OD by the Secretary of State for Defence's office on 25th January. This draft, incorporating two amendments you suggested (Mr. Alexander's letter to the Ministry of Defence of 28th January), is annexed herewith. We have asked MOD to circulate it to all members of the Cabinet. Do they agree with it?
- (g) Paragraph 803, on the Defence Budget, talks about "our economic strategy of reducing public expenditure for the time being". At OD on 22nd January the Chancellor of the Exchequer emphasised that our economic strategy is to reduce public expenditure to a sustainable level. Is the Chancellor of the Exchequer content with this revised draft?
- (h) The figures for the Defence Budget, in Chapter 8 and elsewhere, are still blank. You may wish to explain that they will be filled in when the Cabinet has completed its public expenditure exercise.

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3. You could in theory also mention that the Secretary of State for Defence has in hand an urgent study on the priority to be accorded to the four main elements of defence policy (nuclear, United Kingdom base, forces in Germany and Atlantic/Channel) in the light of fears expressed by OD in December that manpower and financial resources might not be adequate to sustain all four. But it might be wiser not to mention this large subject to the whole Cabinet, who (unlike OD) will not be shown the results.

CONCLUSION

4. The Cabinet should agree that the Statement be published on 27th February, subject to final editing which should take account of points made in the discussion.



p.p. (Robert Armstrong)

29th January, 1980

Revised Passage on Northern Ireland

"502. The Government's purpose is to restore normal life to the people of Northern Ireland. Removing the constant threat of violence is a first priority and vital to this is the work of the Services - demanding, often tedious and always dangerous. We look forward to a time when troops in Northern Ireland, while remaining immediately available to assist the Civil power, can concentrate on training for their primary role in war. Already in many areas the Royal Ulster Constabulary can handle the bulk of the anti-terrorist task without military assistance. But in other areas a more active Army role remains essential. Much of their work in support of the RUC is necessarily spent on patrolling, whether in city streets or in open countryside, on checkpoints and on static guard and observations duties. But, since they are a prime target for terrorist attack, commanders take continual care that only necessary operations are undertaken. Great responsibility devolves upon junior NCOs and on individual soldiers. These duties, particularly searches of people and their vehicles, demand high levels of concentration, tact and sensitivity towards the community."

