

PRIME MINISTER

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HARM AND ALARM

You need not study these papers in detail because they will all come back to you in connection with next week's Cabinet meeting. But you should be aware that:-

a) The Defence Secretary has minuted to you about additional proposals, both from British Aerospace on the terms of purchase of ALARM and from Texas Instruments and Lucas on the terms of purchase of HARM (these figures will be incorporated in a revised Cabinet paper).

b) The Defence Secretary has also minuted to warn you that in the fairly near future we shall have to make a decision on another weapon, namely a surface to surface guided weapon for the Royal Navy. He just thinks that you should be aware of this though he does not wish to defer a decision on HARM or ALARM.

c) The Foreign Secretary has suggested to the Defence Secretary that we should send a UK team to Washington now, firstly to see whether we can obtain any further concessions from the Americans which might help to meet our requirements on technology, secondly, to put us in a better position to justify a decision favouring ALARM if by then the Americans have failed to offer more favourable terms for HARM.

*A.J.C.*

19 July 1983