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WASHINGTON P.9: 44

WHITE HOUSE SITUATION ROOM

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Walter J. Stoes J. Jr., Acting

Frank C. Carluck, MI, 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.

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BY KML NARA DATE (10/10