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T/19/82

Argentina: Relations Pt 22

10 DOWNING STREET

THE PRIME MINISTER

2 June 1982

Thank you very much for your message of 1 June which was passed to me by your High Commission.

It was most considerate of you to tell us that we should not feel held to any moral obligation over the proposed sale of HMS INVINCIBLE. We are also grateful for Ian Sinclair's agreement not to press John Nott to conclude the contract arrangements whilst military operations involving HMS INVINCIBLE are still in progress in the South Atlantic.

As you may have heard, the fitting out of her sister ship HMS ILLUSTRIOUS has been accelerated and we now expect her to enter service rather earlier than had been expected, in late summer this year. I am hoping that we can make a rapid assessment of where we stand as soon as the situation in the Falkland Islands permits. I believe that we should be able to give you a clear indication of our view concerning HMS INVINCIBLE by mid-July.

May I also take this opportunity to say again how greatly heartened I have been throughout the last few difficult weeks by the consistent support which you have given us over the Falklands crisis and which underlines yet again the common objective we have in ensuring that aggression does not pay.

The Rt. Hon. J.M. Fraser, CH, MP.

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cc. Mads

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FM FCO 022000Z JUNE 82

TO IMMEDIATE CANBERRA

TELEGRAM NUMBER 205 OF 2 JUNE.

INVINCIBLE

1. PLEASE NOW PASS THE FOLLOWING REPLY FROM THE PRIME MINISTER TO MR FRASER.

BEGINS: THANK YOU VERY MUCH FOR YOUR MESSAGE OF 1 JUNE WHICH WAS PASSED TO ME BY YOUR HIGH COMMISSION.

IT WAS MOST CONSIDERATE OF YOU TO TELL US THAT WE SHOULD NOT FEEL HELD TO ANY MORAL OBLIGATION OVER THE PROPOSED SALE OF HMS INVINCIBLE. WE ARE ALSO GRATEFUL FOR IAN SINCLAIR'S AGREEMENT NOT TO PRESS JOHN NOTT TO CONCLUDE THE CONTRACT ARRANGEMENTS WHILST MILITARY OPERATIONS INVOLVING HMS INVINCIBLE ARE STILL IN PROGRESS IN THE SOUTH ATLANTIC.

AS YOU MAY HAVE HEARD, THE FITTING OUT OF HER SISTER SHIP HMS ILLUSTRIOUS HAS BEEN ACCELERATED AND WE NOW EXPECT HER TO ENTER SERVICE RATHER EARLIER THAN HAD BEEN EXPECTED, IN LATE SUMMER THIS YEAR. I AM HOPING THAT WE CAN MAKE A RAPID ASSESSMENT OF WHERE WE STAND AS SOON AS THE SITUATION IN THE FALKLAND ISLANDS PERMITS. I BELIEVE THAT WE SHOULD BE ABLE TO GIVE YOU A CLEAR INDICATION OF OUR VIEW CONCERNING HMS INVINCIBLE BY LATE SUMMER.

MAY I ALSO TAKE THIS OPPORTUNITY TO SAY AGAIN HOW GREATLY HEARTENED I HAVE BEEN THROUGHOUT THE LAST FEW DIFFICULT WEEKS BY THE CONSISTENT SUPPORT WHICH YOU HAVE GIVEN US OVER THE FALKLANDS CRISIS AND WHICH UNDERLINES YET AGAIN THE COMMON OBJECTIVE WE HAVE IN ENSURING THAT AGGRESSION DOES NOT PAY. ENDS

2. MOD ARE ISSUING TODAY THE FOLLOWING STATEMENT.

BEGINS: THE PRIME MINISTER HAS RECEIVED A MESSAGE FROM THE PRIME MINISTER OF AUSTRALIA CONCERNING THE PROPOSED SALE OF HMS INVINCIBLE TO THE ROYAL AUSTRALIAN NAVY. WHILST THE AUSTRALIAN GOVERNMENT ARE STILL KEEN TO PURCHASE HMS INVINCIBLE, THEY HAVE INFORMED US THAT THEY WOULD NOT HOLD US TO THE SALE IF, AS A

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RESULT OF THE FALKLAND ISLANDS OPERATION, WE WERE TO DECIDE THAT WE WISHED TO RETAIN THE SHIP. THIS IS A MOST HELPFUL GESTURE, WHOLLY IN KEEPING WITH THE TREMENDOUS SUPPORT WHICH THE AUSTRALIAN GOVERNMENT HAS GIVEN US THROUGHOUT THE FALKLANDS CRISIS AND WHICH UNDERLINES YET AGAIN THE CLOSE TIES BETWEEN OUR COUNTRIES.

THE PRIME MINISTER HAS THANKED MR FRASER FOR HIS TYPICALLY GENEROUS MESSAGE AND HAS TOLD HIM THAT WE WILL BE MAKING A RAPID ASSESSMENT OF WHERE WE STAND ON THE FUTURE OF HMS INVINCIBLE AS SOON AS THE SITUATION IN THE FALKLAND ISLANDS PERMITS. WE HOPE TO HAVE TAKEN FINAL DECISIONS ON THE SALE WITHIN A FEW MONTHS.
ENDS

PYM