



10 DOWNING STREET

From the Private Secretary

1 June, 1982

ms

Prime Minister

MR 1/6

Dear Sir,

HMS INVINCIBLE

I enclose a copy of a letter which the Prime Minister has received from the Acting High Commissioner of Australia. This contains the text of a letter to the Prime Minister from Mr Fraser who states that if, following the end of the current hostilities in the South Atlantic, we wish to take another view about the sale of Invincible, we should not feel ourselves held to any moral obligation. Mr Fraser further states that the Australian Minister for Defence will not press Mr Nott to conclude contract arrangements until we indicate that we are ready to proceed.

I should be grateful if you could let me have an early draft reply to Mr Fraser for signature by the Prime Minister.

I am copying this letter to Brian Fall (FCO), John Halliday (Home Office), Keith Long (Paymaster General's Office), Jim Nursaw (Attorney General's Office), John Kerr (HM Treasury) and David Wright (Cabinet Office).

sf

*you see
file notes.*

D Omand, Esq
Ministry of Defence

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AUSTRALIAN HIGH COMMISSION • LONDON

Acting
THE HIGH COMMISSIONER

1 June 1982

In the High Commissioner's absence at a Conference in Geneva, I have been asked by my Prime Minister to convey to you urgently his following letter dated 1 June 1982:

"We continue to watch the progress of events in the Falklands - with concern for the losses you have suffered and with admiration for the strength with which you are sticking to the task. I have tried to underline in discussions I have had overseas the fact that anyone resisting aggression, Britain particularly in the Falklands, does so not so much for themselves but on behalf of us all. You should continue to feel that you have the strong support of your friends.

It occurs to me that the time will come at the end of hostilities when you will wish to consider the naval losses you have taken and the state of public opinion in Britain, and that then you might well come to another view about the sale of Invincible. While we continue to be keen to make the purchase, I want you to know that if after such re-assessment the British Government concludes that it should not sell Invincible, then you should tell me and not feel yourself held to any moral obligation.

With this in mind also, the Australian Minister for Defence will not press Mr Nott to conclude contract arrangements until such time as you indicate that you are ready to proceed, although of course for our own financial arrangements if the matter is to proceed, we would want to finalise the contract documents as soon as this can reasonably be done."

Yours sincerely,

R.H. Robertson

The Rt Hon Margaret Thatcher, MP,
Prime Minister
10 Downing Street
LONDON SW1.

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