



10 DOWNING STREET

7th April 1982

My dear Freddy,

Thank you very much for your letter of 5th April, with which you enclosed a copy of a letter dated 19th February, which had been sent by Edmund Vestey to Peter Blaker.

You raised this at the meeting of the Defence Committee in the House last evening.

I know how strongly you felt about this, and I spoke to Peter Blaker after that meeting.

He confirms that the letter from Edmund Vestey was acknowledged, and indeed that a meeting had been arranged for today; unfortunately that meeting, for reasons which you will understand, has had to be postponed. However, another will be fixed as soon as possible.

I think that you will have a copy of the Statement about the Royal Navy which was available at last night's meeting. Following your talk with the Prime Minister last week, I am able to confirm that HMS Invincible will continue to be operational in the Royal Navy at least until such time as HMS Illustrious comes into service.

HMS Hermes will remain operational at least until such time as HMS Ark Royal comes into service.

HMS Illustrious and HMS Ark Royal will both be more modern and more powerful ships than either of the present two carriers so that the Government is providing a substantially more powerful carrier capacity in the future than we have at present.

I hope that this letter, and the assurances which you have had from Peter Blaker, will go a long way to allay your anxieties.

I am,
Fred

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Sir Frederick Burden MP

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Naval Budget

Talk of running down the Navy is nonsense. This financial year we will be spending £1.2bn more in real terms on the Navy than was spent in the year before we came to office. As to the future we will still be spending more on the conventional Navy, even when expenditure on modernising the strategic deterrent is at its peak, than we were in 1978/79.

Ship numbers

There will be more major ships and submarines operational in 1985 than there are today. A massive modernisation programme for the fleet is in hand. The principal threat to our peace and freedom will continue to come from the Soviet Union and we will be increasing the numbers of our nuclear submarines - which will be the main strike threat to the Soviet fleet - from 12 to 17.

Recent Orders

Last year we placed naval orders with British Shipbuilders to the value of over £400M. In the past few months we have decided to order the Heavyweight Torpedo, improve Sea Wolf and procure Sea Eagle. A further Type 22 frigate was ordered in February and last month we invited tenders for a further nuclear submarine and 4 minesweepers. The total programme for torpedo procurement alone amounts to more than £2,000M.

Carriers

It was made absolutely clear in the White Paper on the Defence Programme (Cmd 8288) that 2 carriers will be kept in service. ILLUSTRIOUS will join the fleet later this year and the construction of ARK ROYAL is progressing satisfactorily.

NAVAL EXPENDITURE AS % OF TOTAL DEFENCE EXPENDITURE

	<u>1950/1</u>	<u>1960/1</u>	<u>1970/1</u>	<u>1978/9</u>	<u>1982/3</u>
1. Defence Budget	10257	14448	13342	12883	14091
2. Naval Budget	2564	3612	3602	3607	4047
3. (2) as % of (1)	25	25	27	28	28

- Notes: (1) Figures based on Estimates, not outturn.
(2) All figures at constant 82/3 prices.
(3) 1982/3 figures excludes Trident.