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PRIME MINISTERTHE DEFENCE PROGRAMME: HMS ARK ROYAL

There is one particularly awkward and pressing question arising on the Royal Naval programme - my minute to you of today refers - which I must draw to your particular attention but in which I hope that we do not need to get too bogged down on Monday.

2. This relates to HMS ARK ROYAL. You will see from Annex A to my main paper that the Naval Staff are proposing the cancellation of HMS ARK ROYAL after her launching. ARK ROYAL is the third of the class of anti-submarine carriers, one of which INVINCIBLE is already in service and the other of which ILLUSTRIOUS will enter service next year, and be fully operational in March 1983. I am clear that for the reasons explained in my paper, one of these must be got out of the programme; but I am equally clear that this cannot be ARK ROYAL. Queen Elizabeth The Queen Mother is due to launch her - with the maximum publicity, and on plans laid long ago - on 2nd June and I am to make a speech immediately after the launching. The high profile of the launch, and the very particular associations the name has, both for the Royal Navy and the general public, make it in my view politically unthinkable that we should move to putting her in mothballs in June or July. But what I think that we might do is explore further the idea, on which I have already taken some very gentle soundings, that we might sell or lease either INVINCIBLE or ILLUSTRIOUS to the Australians, who are in the market for this





kind of ship although at present, because of the importance they attach to commonality with the United States, they are looking to the US Iwo Jima class. If you agree I suggest that you might send Malcolm Fraser a message soon to get the ball rolling and we could follow this up when his Defence Minister Denis Killen is in England towards the end of this month. I could also explore with Caspar Weinberger at the same time whether the Americans would also be interested in one of the two carriers.

3. If you are content for me to pursue this, perhaps you might like to guide discussion at Monday's meeting accordingly; I would then put a plan to you?

4. You should know that, in addition to this proposal in respect of HMS ARK ROYAL, the Naval Staff are proposing that HMV BRITANNIA should be retired in 1983 when she would next be due for a four-month refit. I am equally convinced that this is not on although we could review the position before the following refit in 1987. In any case the resultant savings would be small - £4.8 millions over the next nine years. I would propose to tell the Naval Staff to forget it.

5. Because the above raises foreign policy implications I am sending a copy of this minute to Peter Carrington, but not to our other colleagues who will be at the Monday meeting. A copy also goes to Sir Robert Armstrong. *Copied also to Chancellor of Exchequer, Home Secretary and S/S Industry.*

To keep Ark Royal will cost us an additional £200 million - less any proceeds we received from selling another carrier.  
You can see the problems!      *JW*

Ministry of Defence

14th May 1981