



10 DOWNING STREET

From the Private Secretary

17 December 1981

HMS INVINCIBLE

Waters L

The Australian Prime Minister spoke to the Prime Minister on the telephone about this subject. Mr. Fraser said that the Australian Government faced a problem in connection with timing. They had taken no decision on purchase yet. It was probable (he also said very likely) that a decision would be taken to buy. But there was some public opposition to a carrier being purchased. And Parliament wanted an opportunity to debate the matter, though it would then almost certainly accept the Government's decision. He hoped that we could extend the period for a decision until the end of February. The Prime Minister said that it was in the interests of both countries to arrive at an agreement. If the decision were delayed, how did Mr. Fraser rate the prospects for a positive decision? Mr. Fraser replied that the prospects were high. The Government had decided two years ago to buy a carrier. Public critics were alleging that INVINCIBLE was a secondhand ship. This was not true but he feared that if the Government appeared to be rushing things the reaction could be unfavourable. He would like to be able to say now that he had asked for more information, though from Australian Government Departments rather than from HMG. He believed that a decision could be taken shortly after 16 February and that it would be a decision to buy.

The Prime Minister asked whether the matter of timing was the only problem. Mr. Fraser confirmed that it was. Having consulted the Secretary of State for Defence, the Prime Minister then said that a decision by the end of February would be satisfactory to HMG.

I am copying this letter to Brian Fall (Foreign and Commonwealth Office) and David Wright (Cabinet Office).

D.B. Omand Esq
Ministry of Defence.