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SUBJECT

Telephone conversation between Prime Minister and Mr. Fraser:  
24 February, 1982: 2040 hours

PM Hello Malcolm.

MF Well, we've come to a decision on the - you might have heard from Defence - that, providing the finance is right in terms of phasing indicated, we would like to purchase.

PM Well, that's marvellous. In 1983?

Good, well that's terrific.

MF There was one area of doubt still in the negotiation. We've been given some indicative figures, and Jim Killin (?) will be taking this up direct with his counter-part, of I think 90 m for the first year and whatever it was later. Then there was a footnote to it saying that figure could vary by 20 - 60 m. I think we were hoping that the indicative figures we were given could be stuck to.

PM The 95 and the 28?

MF I haven't got the papers in front of me at the moment, but Jim will be taking that directly with ...

PM I'm not quite sure - were you hoping for a reduction in the first year, or were you hoping that they could be stuck to?

MF We were hoping that the indicative figures we had been given could be stuck to, rather than trying to budget further at the beginning of the purchase period.

PM I'm not quite sure. I think you mean that you hope that the... if the figures you were given want to be stuck to, that's fine, because I think that's about 95 and 28 and then 24 and then 26. Something like that.

MF The first figure was 95 anyway.

/ PM

PM Yes, and that's alright is it?

MF I think that's alright, but there was some suggestion that you might want that increased substantially.

PM 95. That's fine.

MF Anyway, it was a very long debate, and it was a very narrow one - narrower than I thought it would be.

PM Was it?

MF Oh. very narrow, yes.

PM What was it Malcolm? Of course, you're in Cabinet - not in the House. Well, I'm very very pleased, but certainly we can stick to 95 ....

MF ... I think we've done the right thing.

PM I think in 1983 it's very good value, particularly because it's 2 years newer in 1983 than it would be in 1985.

MF We'll pay off ~~Redbo.wine~~ straight away now.

PM Well that's very good news, and I know you're 100% behind it.

MF Thank you very much Margaret for giving us the extra time.

PM That's alright. These things take time, and we're all in politics. Alright Malcolm. And you're going to announce it, do I understand?

MF We would hope to be able to announce it today. We don't sit again for about 10 days. It would be much better if we could announce it today.

PM Alright, we'll look forward to hearing that announcement. Thank you.