

Prime Directive①  
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MO 5/21

1) Agree to the recommendation in para. 8, subject to the views of OD(FAF) colleagues?

2) If so, agree to cancel OD(FAF) on Wednesday, this being the only item on the agenda?

PRIME MINISTERA.J.C. <sup>15</sup>/<sub>11</sub>FALKLANDS GARRISON

At the OD(FAF) meeting on 1 November we discussed a presentation by the Defence Staff which recommended a Falklands garrison in the near term consisting of around 3,100 personnel on the Islands (plus a short term increment for construction and clearing up tasks). We agreed that the military risks inherent in a significantly smaller garrison were unacceptably high in advance of the establishment of a better airfield on the Falklands. The main elements of a 3,100 garrison are set out at Annex A.

COSTS

2. It was agreed at your restricted meeting on 18 October to discuss defence expenditure that the following sums, at 1982/83 prices, should be added to the defence budget to meet garrison costs:

	<u>1983/84</u>	<u>1984/85</u>	<u>1985/86</u>	<u>Three year total</u>
£M	400	300	200	900

It was recognised that these figures assumed a garrison with a more limited capability than that now agreed and a total on-shore strength not exceeding 2000. The larger garrison which we have now chosen is estimated to cost rather more:

£M	528	439	329	1,296
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3. The revised costs - which are broad estimates - can be broken down between capital and running costs: and between those



items related to our force levels in the South Atlantic itself and those which might be implemented to minimise as far as possible the detriment to our NATO commitments by investing in extra equipment and manpower (see Annex B). This breakdown is as follows:

£M at 1982/83 Prices

	<u>1983/84</u>	<u>1984/85</u>	<u>1985/86</u>	<u>Three Year Total</u>
<u>Capital</u>				
Basic garrison	251	136	54	441
Detriment minimisers (to our NATO commitment)	56	79	49	184
<u>Total</u>	307	215	103	625
<u>Running</u>				
Basic garrison	177	158	160	495
Detriment minimisers	44	66	66	176
<u>Total</u>	221	224	226	671

The attribution of capital and running costs combined to the basic garrison and to detriment minimisers is:

Basic garrison	428	294	214	936
Detriment minimisers	100	145	115	360
	<u>528</u>	<u>439</u>	<u>329</u>	<u>1,296</u>

4. The garrison capital costs include provision for a better airfield of £220M - this figure includes a substantial contingency element because of the uncertain but possibly heavy extra cost of building works in the adverse conditions of the Falklands. The remainder of the capital costs cover other works, communications, engineer equipment, ammunition and other war stocks and the



purchase of 4 DC 10 strategic tankers. The capital costs for "detriment minimisers" are described at Annex B.

#### IMPLICATIONS OF THE COSTS

5. The increment to the defence budget (proposed on the basis of the smaller garrison) thus falls short of the estimated costs by over £100M a year and does not fully cover the garrison costs themselves. As a result, it could be necessary to forego some of the extra manpower and equipment (Annex B) intended to compensate for those diverted to the Falklands with corresponding damage to our military capability in the NATO area. Since some of the investment we are proposing to make for the garrison itself (particularly the DC 10 tanker/freighter aircraft) as well as the "detriment minimisers" clearly represent a valuable addition to our general defence capability, I have considered to what extent I can bridge the funding gap by making savings elsewhere in the main defence programme. The extent to which this is possible will not be entirely clear until my Department's annual review of the forward defence programme is available in the spring. Nevertheless my preliminary examination of the 1983/84 programme suggests that I shall at least be able to make a start on doing so and this will help to diminish any criticism that might arise at home or in NATO as a result of the diversion of forces to the South Atlantic.

#### PRESENTATION TO NATO

6. Any weakening of our NATO commitments would inevitably cause concern to NATO. The duration and extent of the detriment which the Falklands deployments will cause, and the way in which we intend to offset it, will therefore require careful presentation to our allies. We shall need to consider the best time to inform them about our decisions, taking account of the NATO Ministerial meetings at the beginning of December. In presenting our case, we should emphasise that the garrison is being paid for in addition to the 3% commitment, that this money will fund additional equipment - particularly new strategic tankers - of value in the NATO role, and that we are looking at other force enhancements



to minimise the detriment to NATO.

#### STRATEGIC AIRFIELD

7. As I explained on 1st November, I am not yet in a position to make firm recommendations on the best means of providing a strategic airfield for the Falklands capable of providing regular peacetime support for the garrison as well as assured and rapid reinforcement of the Islands in an emergency. This must await a new survey of the current site at Port Stanley. We are also looking at the possibility of using the Royal Engineers (assisted by specialist advisers) for this task. If it proved practicable, they would need more men and equipment as a long-term addition to the Army to be funded accordingly: no provision for this is included in the present costing. We shall in due course also need to provide more permanent support facilities at Ascension Island which may involve further costs of around £20M over the years in question.

#### RECOMMENDATION

8. I recommend that we agree to station the garrison described at Annex A (and the necessary short term increment) at the Falklands until such time as a strategic airfield is established on the Islands, subject to six monthly review or as necessary in the light of changes in the threat. When I have completed my review of the forward programme next spring, I shall report on the extent to which I can minimise the detriment to NATO commitments without seeking additional funding: in the meantime, I will consider case by case the specific measures in Annex B on which, in the light of my preliminary examination of my 1983/84 programme, I hope to be able to make a useful start. I shall provide further advice about the airfield when the current studies are completed. Subject to your views, my proposals might be agreed out of committee - given our earlier meeting on this subject.

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9. I am copying this minute to our colleagues on OD(FAF), to the Secretary of State for the Environment, and to Sir Robert Armstrong.

SW

Ministry of Defence  
12th November 1982

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1 JUL 1982

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CORPORATION

ANNEX AUNITSPERSONNEL ASHORECOMMAND

JOINT FORCE HEADQUARTERS	88
INTELLIGENCE UNIT	27

MARITIME DEFENCE

1 NUCLEAR SUBMARINE (SSN)	-
4 DESTROYERS OR FRIGATES	-
1 ICE PATROL SHIP (SUMMER ONLY)	-
3 ARMED PATROL CRAFT	16
1 FLEET REPLENISHMENT SHIP	-
1 FLEET OILER	-
5 ANTI-SUBMARINE SEA KINGS	-

LAND DEFENCE

1 INFANTRY BATTALION + 1 COMPANY	694
5 CHINOOKS	} 90
3 SEA KINGS	
ARMY AVIATION (6 SCOUT + 3 GAZELLE)	73
1 FIELD TROOP (3 x 105mm GUNS)	60
1 ROYAL ENGINEERS FIELD SQUADRON	178

AIR DEFENCE

8 PHANTOMS	112
2 HERCULES	34
4 HARRIERS	59
20 RAPIER FIRE UNITS (12 WITH BLINDFIRE)	263
8 BLOWPIPE FIRE UNITS	26
3 EARLY WARNING RADARS WITH DATA LINKS	162

SUPPORT

NAVAL SHORE ELEMENT	55
1 FIELD SUPPORT SQUADRON ROYAL ENGINEERS	92
1 SIGNAL SQUADRON	157
1 COMPOSITE LOGISTIC BATTALION	445
MEDICAL UNIT	73
PROVOST	11
RAF OPERATIONS WING	52
RAF ENGINEERING WING	191
RAF ADMINISTRATION WING	184
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TOTAL PERSONNEL ASHORE	3,142
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LIKELY DETRIMENT TO NATO COMMITMENTS AND PLANNED REMEDIES

Some detriment to NATO commitments is unavoidable. In other cases it is possible after a time to mitigate the detriment by investing in more equipment and manpower. The following table lists the major elements of the garrison to be deployed away from the NATO area, the measures to be taken which would partially or wholly remedy the detriment, and their costs where these are identifiable.

SERIAL	UNITS	NATO DETRIMENT (IF NO MITIGATING MEASURES TAKEN)	PLANNED MITIGATING MEASURES	IDENTIFIED COSTS
1	SSN	Up to 25% of SSN fleet would not be available in the NATO area at the normal 2 days notice	None	Nil
2	4 Destroyers/frigates	In the worst case, 6 DD/FF would not be available in the NATO area at the normal 2 days notice (ie 15% of the readily available present UK DD/FF fleet)	Run Standby Squadron Ships	About £30M pa
3	1 Fleet Replenishment Ship	} Reduction in support, } particularly ammunition, } for naval forces } in NATO area	} Partial remedy may } be achieved by	} About £7M pa
4	1 Fleet Oiler		} chartering merchant } ships	

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SERIAL	UNITS	NATO DETRIMENT	PLANNED MITIGATING MEASURES	IDENTIFIED COSTS
5	5 ASW Sea Kings	10% of front-line ASW helicopters would not be readily available for use in the NATO area	Buy and operate 5 more	£15M capital cost plus operating cost of £4M pa
6	1 Infantry Battalion + 1 Company	Planned to use UK-based forces, which may include BAOR reinforcing units	None	Nil
7	5 Chinooks and 3 Sea Kings	Detachment of aircraft and roulement penalties in a small force will mean a 50% reduction in the UK based Chinook Squadron's capability, with heavily curtailed support for UKLF in peace and for BAOR in war. No NATO detriment on Sea Kings, but shortfall in UK search and rescue capability.	Buy and operate 3 Chinooks and 3 Sea Kings	£32M capital cost plus £2M pa operating cost
8	Army aviation	Units drawn from UK or BAOR	Buy 3 Gazelles. Scout will be replaced by Lynx in mid-83	£2M capital cost
9	1 Field Troop RA	About 10% regular manpower reduction in BAOR reinforcement forces	Buy 12 more guns	£4M capital cost
10	1 RE Fd Sqn	Unit drawn from UK or BAOR. About 5% reduction in total RE effort	None	Nil

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NATO DETRIMENT

PLANNED  
MITIGATING MEASURES

IDENTIFIED COSTS

SERIAL

UNITS

11

8 Phantoms

With roulement requirements of aircraft and men, there will be a reduction of about 10% in front line, UK based air defence fighters

Buy 15 airframes to maintain 8 operational

£50M capital cost plus £6M pa operating cost

12

2 Hercules

Under 5% reduction in UK-based Air Transport Force, allocated to NATO

None; but DC10 strategic tanker/freighter purchase would offer some compensation as well as providing for reinforcements

Nil

13

4 Harriers

An 8% reduction in Harrier numbers declared to SACEUR

None

Nil

14

20 Rapier fire units

Rapier Protection withdrawn from 1 out of RAF Germany's 4 operational stations. Somewhat over 10% reduction in NATO allocated Army Rapier units

Acquire 8 Fire Units and Blindfire (with no peacetime manning) to make good Rapier on RAF Germany stations, and acquire 12 Fire Units and 4 Blindfire for Army

£75M Capital cost plus £5M pa operating cost

15

8 Blowpipe fire units

Troops drawn from UKLF and BAOR. Reduction of about 5% in regular BLOWPIPE force

Some additional missile purchased

£1M capital cost

16

1 Field Support Sqn RE

Unit drawn from UK. Represents about 10% of RE Field Support effort

None

Nil

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SERIAL	UNITS	NATO DETRIMENT	PLANNED MITIGATING MEASURES	IDENTIFIED COSTS
17	1 Signal Squadron	No significant detriment	Raise additional manpower	£7M pa operating cost
18	Composite Logistic Battalion			
19	Medical and Provost			
20	RAF Station personnel	Increased undermanning in certain key trades	Raise additional manpower	£10M pa operating cost

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