



PM/82/98

THE PRIME MINISTERFalklands Garrison

1. John Nott's minute to you MO5/21 of 12 November outlines the effect and implications of the agreement which we reached on the required levels of a Falklands Garrison and the financial implications. He also describes the detrimental effects to our commitment to NATO arising out of commitment in the South Atlantic and possible measures to minimise these. He suggests that his proposals be agreed out of Committee.
2. The likely damage to our NATO commitment is very considerable and potentially of long duration. You will have noted for example that up to 15% of our destroyers/frigates, 50% of our UK-based Chinooks and over 10% of NATO allocated army Rapier units (including withdrawal of 25% of the RAF's units currently in the FRG) would not be available at the normal notice unless extra funds are allocated; in addition we have no alternative but to accept that up to 25% of our SSN fleet will be unavailable at normal notice to NATO. This kind of shortfall would have a major impact on our capabilities within the Alliance. Although our Allies will not expect us to be precise in the near future on how much we will be able to do to limit the damage, they will expect some indication of the scale of the damage. Now that we have further details of the forces in question I think we need to consider together the effect of what would be involved, and to agree at least a preliminary line to take with our allies in advance of the Ministerial Meeting of the Defence Planning Committee on 1 - 2 December and the North Atlantic Council on 9 - 10 December when we shall certainly be expected to say something (and by which time our

/plans

~~Prime Minister~~ 14  
 In the light of this minute I think we shall have to have the OD (FAF) meeting moved to tomorrow. We clearly cannot settle it quickly by correspondence.

A. J. C.  $\frac{16}{11}$ AJ  $\frac{17}{11}$   
 J.C.

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plans for the future of the Falklands may well have been debated in Parliament). I hope therefore that we can discuss this at the meeting of OD(FAF) planned for 17 November.

3. I am copying this to colleagues in OD(FAF) and to Sir R Armstrong.

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Foreign and Commonwealth Office

16 November 1982

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