

D/DB5/3/5/71

IS/US of S(AF)

Copy to APS/S of S PS/Minister(AF) PSO/CDS Sec/CNS Sec/VCNS PS/DUS(Navy) ACNS(0) AUS(D Staff) AUS(NS) D N Plans DNOT CGRM D Ops (ROW) Head of DS 8 Head of DS 11 DPR(N)

5/5

5/21

FALKLAND ISLANDS: HMS ENDURANCE

- 1. In his MO 5/2 of 24 March, APS/S of S asked for advice on the Foreign Secretary's minute of 24 March. I understand that it has been agreed that US of S(AF) should reply.
- 2. Head of DS 11 is minuting you separately about the first point raised by Lord Carrington: the advance circulation of the contingency paper by officials on the defence of the Falklands. This minute addresses the issue of HMS ENDURANCE.
- 3. The ship is planned to commence her return passage to the UK on 4 April and to arrive in the UK, probably Portsmouth, on 20 May. Thereafter her eventual future remains to be settled. As you know, the Secretary of State has opted against selling her to Brazil and this will effectively mean that she will have to be taken off the Sales List. The alternatives would be either to scrap her or to place her in reserve. Either way it would take about six weeks to prepare her for disposal. If it were decided to retain the ship in service, different considerations, discussed below, would apply.
- 4. Against this background, it would be possible to retain the ship on station until about 20 April and, by sending her of a more direct homeward route, for her to arrive in the UM on her planned date. Deferment until about early June should still be possible without running into significant difficulties. The major problem is one of personnel, as a large proportion of the ship's company are due to leave the ship in August. The implications of deferment beyond early June would have to be

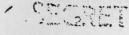
STORED IN

explored further.

- 5. There is, however, a more fundamental problem. This is that, were the decision to pay the ship off rescinded, it would be necessary to make very early arrangements for her annual maintenance and to appoint a ship's company, if she were to deploy to the South Atlantic as usual in the autumn. Depending on the basis on which the ship were reprieved, ie whether for merely a year or for a longer period, a refit might have to be put put to commercial contract; and although with the degreesed state of the ship repairing industry there should be no difficulty in finding a contractor it might take some time to go to tender and actually place the contract. This would inevitably impose a further constraint on the additional period that the ship could spend on station.
- 6. Work is in hand, on a strictly confidential basis, to determine the practicalities of retaining the ship in service, leaving on one side who should pay. But from the defence point of view there is every reason to resolve the question of ENDURANCE's future very soon indeed. I understand that on present plans it is unlikely that the paper on the Falklands, and with it consideration of HMS ENDURANCE, will go to OD before the end of April. For the reasons mentioned above, we need to settle HMS ENDURANCE's future before Easter, if necessary in advance of discussion of the general issue of the Falklands.
- Secretary. This sets out the practical implications of retaining ENDURANCE on station; indicates that contingency plans are being made to delay the ship's departure from the South Atlantic; asks that the FCO should say by early next week whether they wish the ship to be held back; presses for an early OD discussion to resolve finally ENDURANCE's future; and puts down the necessary marker that financial provision to run the ship on should be found from the same source as that for the other contingency measures which might be needed to support the Falklands in the event of a breakdown of negotiations with Argentina. It also refers to the planned sailing, agreed by US of S(AF), of the stores support vessel FCRT AUSTIN from Gibraltar next Monday 29 March, at the request of FCO Ministers, against the possibility that ENDURANCE will need to remain in South Georgia for another two or three weeks.

26 March 1982

N H NICHOLLS Head of DS 5



DRAFT

FOREIGN AND COMMONWEALTH SECRETARY

FALKLAND ISLANDS: HMS ENDURANCE

- 1. I am replying in the Secretary of State's absence to your minute of 24 March.
- 2. You suggested that consideration should be given to circulating now the contingency paper on the defence of the Falkland Islands. This is being arranged separately.
- 3. You asked whether as a temporary solution H4S ENDURANCE could remain on station in the Falklands area beyond her planned departure date. On present plans, the ship is due to begin her homeward passage on 4 April and to arrive in the UK on 20 May. She could be reprogrammed to return by a more direct route and her departure date could be correspondingly delayed without affecting her planned date of return to the UK; and partly because no decision has yet been taken on her eventual means of disposal there is some flexibility in her arrival date, although undue delay would, as you say, give rise to personnel problems (not least because the members of her ship's company have been reappointed). It would, however, be possible to defer HMS ENDURANCE's departure from the area by up to two months without running into acute manpower problems.
- 4. I agree that we should aim to settle the broader question of the ship's future now without delay. To keep her in service for even one more year it would be necessary to set arrangements in hand as a matter of urgency for her annual maintenance because of the planned rundown in dockyard capacity, might have to be put out to commercial contract. By officials are



exploring the practical implications of the ship's retention, including the provision of a new ship's company, on a contingency basis.

- have been intensified by the South Georgia incident. But the necessary money would have to be found for this, in the same way as for the other contingency measures referred to in your minute to the Prime Minister. No provision has been made within the defence budget. And while I accept that ENDURANCE's annual deployment to the South Atlantic has great symbolic importance as a demonstration of our commitment to the Falklands, the fact remains that were the Argentinians to bring to bear the sizeable naval resources they have available, ENDURANCE could make only a very limited contribution to the defence of the Falklands. In defence terms, her utility is marginal and the pressure on the defence budget is such that we cannot see our way to pay for her retention.
- 6. This said, for the reasons I have mentioned there is everything to be said for a very early discussion by OD.

 I would hope that this can be arranged before Easter.
- 7. In the meantime, contingency planning is being set in hand to retain ENDURANCE on station for about a further month. We shall need to know very early next week whether you wish the plans to be implemented. As you know, we are separately granging to sail a support vessel on 29 March against the possibility that ENDURANCE might be required to remain off South Georgia for the foreseeable future.
- 8. I am copying this minute to the Prime Minister and to the Chancellor of the Exchequer.