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ARLIAMENTARY UNDER SECRETARY OF STATE Wiggi diwing

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FOREIGN AND COMMONWEALTH SECRETARY Le mond que some indication

Falkland Islands: HMS Endurance clup's fulve.

I am replying in John Nott's absence, but with his knowledge and agreement, to your minute of 24 March. This minute also confirms my telephone conversation earlier today with Richard Luce. The contingency paper on the defence of the Falkland Islands is being circulated today.

You asked whether as a temporary solution HMS Endurance could remain on station in the Falklands area beyond her planned departure date. It would be possible to defer HMS Endurance's departure from the area by up to two months. After this period we would begin to run into serious manpower problems (not least because the members of her ship's company have been reappointed).

John will wish to discuss with you the broader question of the ship's future. He would I know wish me to make the following points. There is some urgency about reaching a final decision. To keep the ship in service for even one more year it would be necessary to take an early decision to set arrangements in hand for her annual maintenance which, because of the planned rundown in dockyard capacity, might have to be put out to commercial

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

The pressures to reprieve Endurance have obviously 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.

For the reasons I have mentioned there is everything to be said for a very early discussion by OD, hopefully before Easter.

In the meantime, contingency planning is being set in hand to retain Endurance on station. We are separately arranging 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.

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I am copying this minute to the Prime Minister and to the Chancellor of the Exchequer.

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Jerry Wiggin