

FC 864

SECRET



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61

MO 5/21

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OPERATION CORPORATE - HMS ILLUSTRIOUS

The Secretary of State had a short discussion with C of N and VCNS this afternoon on the basis of CDS's minute of 30th April. The Secretary of State said that he had considered and endorsed the case for bringing forward HMS ILLUSTRIOUS for deployment in the South Atlantic, as set out by CDS's minute. He was also aware of the related issue of possible procurement of the VULCAN PHALANX close-in weapon system from the United States to fit in ILLUSTRIOUS. He asked VCNS and the Controller to expand upon the requirement for this additional capability.

2. VCNS and C of N said that the EXOCET missiles with which the Argentinian Navy was equipped had a sea-skimming capability more advanced than that of the current Soviet anti-ship missiles and against which SEA DART (which would be fitted in ILLUSTRIOUS) had only a limited capability. VULCAN PHALANX would provide a worthwhile degree of protection against the EXOCET threat. Current estimates of cost for two systems were in the region of £11M but we would hope it would be possible to negotiate a sale or return or loan deal with the US, as part of wider arrangements Government-to - Government covering material support. If it proved necessary to buy the systems outright, which was the current US proposal, we would consider longer term use in other ships. In the light of this information the Secretary of State said that he was prepared to agree to the acquisition of VULCAN PHALANX on the best terms that could be negotiated with the US authorities.

REFERENCE STAFF	
DI 5/5/82	COPIES
CDS	CNS
	GS

4th May 1982

(N H R EVANS)  
APS/S of S

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5 May

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