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7th July 1988

Dear John

CJP
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TYPE 23 FRIGATE ORDERS

Thank you for your letter of 6th July. *Plat*

I recognise that an order for three new Type 23 frigates represents a significant large additional capital investment, even though the ship's design provides remarkable value for money and the terms currently on offer from Yarrow Shipbuilders Limited are extremely good. The running costs would be of the order you suggest but these will not be a net addition to the defence budget since the Type 23s will replace older ships paying off from the Fleet. Moreover, the manpower-related costs will be substantially lower since the Type 23s have a much smaller complement (around 170 men) than the Leander-class frigates which they will replace (around 220 men).

Although our policy of maintaining an escort fleet of about 50 destroyers and frigates dates originally from 1981, it has been regularly reassessed since then, including most importantly after the Falklands war (Cmnd 8758 refers). Our current view is that developments in towed array sonar technology, with which your

The Rt Hon John Major MP



officials are familiar, have strengthened the wartime case for frigates in relation to other maritime priorities, while their peacetime utility continues to be demonstrated daily in the Armilla patrol.

So far as the cost-effectiveness of frigates compared with non-maritime priorities is concerned, it is extremely difficult to draw useful comparisons. The starting point for my own consideration is the recently completed reassessment of the whole of the forward defence programme in LTC 88, of which your officials have full details. Although, in the context of this, one of the four planned Type 23 ships currently tendered for (Type 23-09) was considered of lower priority than, for example, the Chieftain tank replacement and unaffordable unless more resources could be provided for defence in PES 88, the other three were judged of very high priority within the programme affordable at the PES 87 level of expenditure.

So far as the productivity of the surface fleet is concerned, the key point of course is that force levels are set in relation to wartime tasks, not peacetime usage. In wartime our frigate force will be fully employed in support of NATO's forward maritime strategy and in direct defence of reinforcement shipping as necessary. NATO has made it clear, by means of a highlighted force goal, that it needs more frigates for these roles than are currently being provided.

In peacetime, very different considerations apply and, as you say, we limit the amount of time ships spend away from their base ports in order to avoid "overstretch" - that is we try to give ships' crews a reasonable opportunity to spend time with families and friends in this country. Our judgement is that, were we not to do this, we would suffer extremely damaging morale and personnel retention consequences which would feed back into both our recruitment and training costs and our operational effectiveness.



The only realistic alternative to providing adequate base-port time for our ships and their crews is to introduce double-crewing of ships as practised in the strategic submarine force. This would, however, be very expensive and beyond the current manning capability of the Royal Navy. You may be interested to know that the equivalent US Navy base-port time target is 50 per cent. As to transit time, there are a number of opportunities for training which, needless to say, we exploit fully.

I hope that this further information will enable you now to give your early approval to the order of three ships as proposed. I shall be in Kuwait for the first three days of next week but, given the current climate of political pressure and expectation following the recent Defence Committee report on the surface fleet, and bearing in mind the House of Lords defence debate on Tuesday, I believe strongly that we need to announce the Government's decision in an oral statement (which I would like Tim Sainsbury to undertake) on Monday.

I am copying this letter to the Prime Minister, and the other recipients of yours, and to Sir Robin Butler.

Yours
wer,
George

George Younger