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OD(80) 3rd Meeting

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CABINET

DEFENCE AND OVERSEA POLICY COMMITTEE

MINUTES of a Meeting held at  
10 Downing Street on  
TUESDAY 29 JANUARY 1980 at 10.00 am

PRESENT

The Rt Hon Margaret Thatcher MP  
Prime Minister

The Rt Hon William Whitelaw MP  
Secretary of State for the  
Home Department

The Rt Hon Lord Carrington  
Secretary of State for Foreign and  
Commonwealth Affairs

The Rt Hon Sir Geoffrey Howe QC MP  
Chancellor of the Exchequer

The Rt Hon Francis Pym MP  
Secretary of State for Defence

The Rt Hon Sir Ian Gilmour MP  
Lord Privy Seal

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Keith Joseph MP  
Secretary of State for Industry  
(Item 3 only)

The Rt Hon Sir Michael Havers QC MP  
Attorney General (Items 2-4)

The Rt Hon Michael Jopling MP  
Parliamentary Secretary, Treasury  
(Item 1 and 4)

The Hon Nicholas Ridley MP  
Minister of State, Foreign and  
Commonwealth Office  
(Item 4 only)

Mr Paul Channon MP  
Minister of State, Civil Service Department  
(Item 2 only)

Mr Cecil Parkinson MP  
Minister of State, Department of Trade

SECRETARIAT

Sir Robert Armstrong  
Mr R L Wade-Gery  
Mr R M Hastie-Smith

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1. BBC EXTERNAL SERVICES

The Committee considered a memorandum by the Secretary of State for Foreign and Commonwealth Affairs (OD(80) 1) on the scope for finding economies in the British Broadcasting Corporation (BBC) external services in 1981/2 and thereafter.

THE FOREIGN AND COMMONWEALTH SECRETARY said that he was certain that there was scope for making some savings in BBC external vernacular services. But the previous attempt to make such economies had encountered formidable resistance in Parliament. The Soviet invasion of Afghanistan had made cuts in the BBC external services even more controversial and had already led to a requirement for increased broadcasts both to the USSR and to South West Asia. He did not wish to press the proposal in his paper for the appointment of a "wise man", which had not commended itself to other members of the Committee. But the choice then lay between risking Parliamentary defeat if cuts were made a foregoing public expenditure savings if there were not.

In discussion there was general support for maintaining the principle that public expenditure cuts should apply to the BBC external services, and the following points were made -

a. Parliamentary opposition to the previous round of reductions in the level of BBC external services was due, at least in part, to a failure to understand the facts of the situation. Further opposition could be reduced, if not entirely removed, by careful presentation of the facts including the point that even after the proposed reductions, the level of expenditure on BBC external services from 1980/81 would still be higher than it had been in 1979/80.

b. The BBC would soon face a large wage increases for their staff, which would worsen their financial position. This would affect their domestic services as well. But Parliamentary opposition to economies there was unlikely, since the only alternative would be to raise the licence fee.

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c. The appointment of a "wise man" to review the possibilities of finding economies in the BBC external services might be helpful in placating Parliamentary opposition. But there was a real risk that his recommendations might lead to an unchanged or even an increased level of expenditure. Increased expenditure would have to be precluded, by his terms of reference, if the idea were to be pursued.

THE PRIME MINISTER, summing up the discussion, said that the possibility of appointing a "wise man" should not be pursued for the present. Difficult and unpopular decisions on future public expenditure were going to have to be taken, and the Committee agreed that the BBC's external services should not be immune. A further attempt should be made in high-level discussion with the BBC to identify possible economies on which both sides could agree.

The Committee - invited the Foreign Secretary to arrange for the Minister of State, Foreign and Commonwealth Office, (Mr Ridley) and a senior official to discuss further with the BBC at a high level ways in which the necessary economies could be arranged for the years beyond 1980/1.

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2. ARMED PROTECTION FOR BRITISH GOVERNMENT REPRESENTATIVES OVERSEAS

The Committee considered a memorandum by the Secretary of State for Foreign and Commonwealth Affairs (OD(80) 2) on how to provide United Kingdom based bodyguards for certain British Ambassadors abroad.

THE FOREIGN AND COMMONWEALTH SECRETARY said that it appeared that neither the Ministry of Defence nor the police could meet the requirement. It would in his view be absurd to create a special corps of FCO bodyguards for this very limited requirement. Failing other solutions, it might be possible to continue to employ KMS Ltd to provide bodyguards overseas. The main objection to this course of action lay in the past connection of that company with the provision of mercenaries in Angola and elsewhere.

THE PRIME MINISTER, summing up a brief discussion, said that the total number of bodyguards required involved was very small and the task not inappropriate to the Armed Forces. The Ministry of Defence ought therefore to be able to provide them.

The Committee -

Invited the Defence Secretary to reconsider whether and how the Ministry of Defence could meet the requirement to provide a small number of bodyguards for British Ambassadors abroad.

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3. THE KHARG

The Committee considered a note by the Secretaries (OD(80) 5) covering a study by officials of the problem presented by the fleet replenishment ship Kharg which was being built for the Iranian Navy.

THE FOREIGN AND COMMONWEALTH SECRETARY said that latest reports from HM Ambassadors in Tehran and Washington suggested that the Iranian reaction to a decision to postpone export of the Kharg might in certain circumstances be fairly restrained, but that there could be severe damage to Anglo-American relations if the decision were not to postpone export while the hostage crisis continued.

THE ATTORNEY GENERAL said that delay in warning the Iranians of any intention to postpone export should not be ruled out on the grounds that delay would weaken the Government's legal position, because the case would not be strong even if warning were given forthwith.

THE PRIME MINISTER, summing up a brief discussion, said that the Committee should resume consideration of this matter in a fortnights' time, in the light of events in Iran following the election of President Bani-Sadr. If postponement of the ship's export then seemed unavoidable, there would be a case for asking the United States Government to help bear the financial burden that would involve.

The Committee -

Took note, with approval, of the Prime Minister's summing up of their discussion.

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4. THE FALKLAND ISLANDS

The Committee considered a memorandum by the Secretary of State for Foreign and Commonwealth Affairs (OD(79) 31) which proposed that Ministerial talks should be resumed with the Argentines about the future of the Falkland Islands.

THE FOREIGN AND COMMONWEALTH SECRETARY said that during the United Nations' General Assembly in New York in the previous autumn he had told the Argentine Foreign Minister that it was the Government's wish to make progress on this subject, provided that the wishes of the local inhabitants were respected. It would be dangerous to provoke the Argentines by further postponing a decision to open Ministerial talks. On the British side these would be conducted by the Minister of State, Foreign and Commonwealth Office (Mr Ridley). But talks would be impossible for the Argentines if discussion of sovereignty were ruled out in advance, since that was the one subject which the Argentines really wanted to discuss. Unless talks were started, the economy of the Islands would continue to stagnate and British trade with the Argentine would suffer. It was also not unlikely that the Argentines would cut off communications and fuel supplies to the Islands and possibly even embark on military measures against them. The Islanders had indicated to Mr Ridley, during his recent visit, that they were in favour of a resumption of talks. It would be made clear to the Argentines that nothing could be agreed on unless it was acceptable to the inhabitants of the territory.

In discussion there was agreement that it was undesirable that talks should be resumed based on the terms of reference announced by the previous Administration on 26 April 1977. The following points were made -

a. There were only about 1800 inhabitants of the Falklands. They already received a higher per capita level of United Kingdom aid than any territory in the world. They remained poor, and this situation would not improve until a better understanding had been achieved with the Argentine.

b. The Argentines' legal claim to sovereignty over the Falkland Islands was very weak. That was why they did not wish to let the matter go to arbitration. Any agreement to discuss sovereignty might damage Britain's strong legal position. It might also suggest a British readiness to surrender, which would have implications for the British position elsewhere, eg Gibraltar and Hong Kong.

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c. The Falkland Islands Committee had a good deal of Parliamentary influence. If opposition from the Government's supporters in Parliament was to be avoided, it was important to make clear that the Islanders themselves wanted to see talks resumed. The visit of a delegation of Islanders to London could well be a helpful way of establishing this point.

d. It was possible that no solution could be found which was acceptable both to the Islanders and to the Argentines. Any proposal for leaseback was likely to founder on the length of the lease. The talks should therefore be played as long as possible.

THE PRIME MINISTER, summing up the discussion, said that the nub of the problem lay in the danger that any resumption of talks might appear to foresee a surrender of sovereignty over the Falkland Islands at some time in the future. There was no legal basis for such a surrender. Nevertheless, there was force in the Foreign and Commonwealth Secretary's argument, particularly since it reflected the views of the Islanders themselves.

The Committee -

Invited the Foreign and Commonwealth Secretary

- i. to seek written confirmation from the Island Council that it was their wish that talks with the Argentines be resumed;
- ii. to propose to the Committee, in the light of the discussion, new terms of reference on which such talks should be based.

Cabinet Office

30 January 1980

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