

CONFIDENTIAL

SECRETARY OF STATE FOR TRADE OFFICE MINUTE NO: 873/74

NOTE OF THE SECRETARY OF STATE'S MEETING WITH THE GENERAL COUNCIL OF BRITISH SHIPPING (GCBS) HELD AT 17.00 ON TUESDAY 5 JUNE 1979

Those present:

Secretary of State for Trade	
Mr M Morris	Shipping Policy D/Trade
Mr M Graham	Shipping Policy D/Trade
Mr M E Head	Home Office
Mr R P Flower	SEAD FCO
Mr A Swire	Vice President, GCBS
Lord Inverforth	(Bank Line)
Mr W P Shovelton	Director-General, GCBS

Mr Swire apologised for the absence of the Council's President, Mr Ropner, who had been unable to attend the meeting. The GCBS had asked for a meeting with the Secretary of State in order to express their grave concern at the Government's present policy towards the problem of refugees from Vietnam. As shipowners, they had been placed, by recent Government decisions, in an absolutely impossible position. On the one hand, the Government rightly expected them to honour their legal and moral obligations to pick up people in distress on the seas; but, on the other hand, the Government did not appear to be ready to assist the industry by adopting policies which would allow these passengers to disembark rapidly when the ship reached port. This dilemma created very grave problems for the industry and the Council hoped that the Government could clarify its policy so that the industry had an assurance that by meeting its legal and moral obligations, it would not thereby be penalised.

2. The Secretary of State assured the delegation that the interests of the British shipping industry had been well represented in the Government's consideration of this vexed and difficult issue. Full account had been taken of the representations which had been made by the industry as a whole, and by the Bank Line in particular, to the Prime Minister and his colleagues and him. Their letters on the issue had been most helpful. The first point on which there was no disagreement was that the United Kingdom had an obligation under international law to continue to require Masters of its vessels to offer assistance to those in distress on the sea. The Government was not seeking in any way to retract from that clear legal and moral position. Moreover, he had no doubt that British Masters would themselves feel a moral obligation to rescue people in distress. The problem therefore arose when British vessels came to discharge their passengers. Few, if any, countries were now prepared to accept additional numbers of refugees for settlement. The point at issue, therefore, was whether the United Kingdom should give an open-ended commitment to accept any refugees rescued by British ships in any circumstances for settlement, albeit temporary, in the United Kingdom if they could not be found a refuge elsewhere. The previous government had given such a commitment but this had been in very different circumstances. At that time, few people had anticipated that the numbers of refugees involved in the migration from Vietnam would grow to such large proportions. The problem could now only be dealt with by international action. That was why the Government



had proposed to the United Nations' Secretary-General that he should urgently summon a special conference on the issue. Meanwhile, if there was to be any hope of settling the refugees in the region, the Government had no option but to look at each case on its merits as the position arose. To maintain an open-ended commitment would negate any efforts to settle the refugees elsewhere.

3. Mr Swire said that while the industry understood the Government's difficulties it found the conclusions it had reached both unpalatable and unacceptable. In effect, the Government was placing upon the Masters and owners of British vessels the obligations and expenses of rescuing refugees while not being prepared itself to accept the consequences in terms of a commitment to accept responsibility for the refugees concerned. If the Government's position were maintained, British ships could find themselves held up in ports for very long periods of time while attempts were made to resettle the refugees in other countries. This was bound to create great uncertainty in the minds of potential charterers and would involve the industry in very great expense.

4. Lord Inverforth added that there was a very real risk that foreign governments would hesitate before chartering a British ship because they could not be sure that the vessel would not be held up in a Far East port while the question of settling refugees was resolved. He suggested that HMG should accept some financial responsibility for the costs of vessels which were delayed or pay for idle ships to be used as temporary dormitories in the Far East. This would allow the refugees to be sheltered while efforts were made to resettle them and would not detain the often expensive and modern vessels which now picked up the refugees.

5. The Secretary of State said that the Government recognised the great difficulties which faced the shipping industry but he did not hold out hopes for financial assistance. The industry had to recognise that the only way in which they could be given a complete guarantee that their vessels would not be held up in ports would be for the Government to offer an open-ended commitment to take all the refugees involved into the United Kingdom. This clearly raised other very difficult issues concerned with the Government's policies towards immigration. He asked whether it would not be the case that other countries' ships sailing in the region would face similar difficulties and uncertainties, and would therefore be equally affected.

6. Mr Swire said that there was no direct evidence that a British shipping company had yet lost business as a result of fears that they would pick up refugees but it was perfectly possible that Masters of vessels owned by some foreign shipping lines would be prepared to turn a blind eye to refugees in distress in the China Seas. The industry did recognise the complexities of this issue but it urged the Government to reach quicker decisions on those cases which had already arisen. For example, the ROACHBANK had been moored off Taiwan for the last 13 days. While it was understood that diplomatic pressure was being exerted on the Taiwanese authorities to accept the refugees (and it was recognised that lack of diplomatic representation made this a difficult process), costs involved for the British shipping company of feeding the refugees and keeping the vessel idle were growing very rapidly.



7. Mr Graham commented that the Department of Trade had now received copies of letters from some Singapore shipping lines to the British Masters on their vessels which told them to ignore any refugees in distress at sea. There was therefore evidence that ships from other countries were not facing up to the legal and moral obligations.
8. The Secretary of State said that even if the Government had been prepared to maintain the previous Administration's undertakings, they would have been bound to attempt to find countries prepared to accept the refugees for settlement in the first instance. The majority of refugees were ethnic Chinese; they would naturally be better off if they could be settled in other countries in the region. This process of trying to persuade the authorities of countries to accept refugees for settlement would take time. In practical terms there was unlikely to be much difference for shipowners if the previous Government's commitments had been maintained.
9. Mr Head pointed out that, in practice, a case had not yet arisen of HMG finally refusing settlement to refugees taken on board a British vessel. Those Departments responsible for settlement of refugees within the United Kingdom also had an interest in getting quick decisions from overseas governments so that they knew as soon as possible whether or not they had to receive the refugees in Britain.
10. Mr Swire said there had been some suggestions in the press that British companies would attempt to re-route their vessels around the area in which most of the refugee boats were to be found. While some companies may do this, he did not himself believe that this was an answer to the problem. There were only a limited number of British vessels on the route (possibly 7 or 8 at any one time) and there were legal and technical difficulties which prevented many companies from adopting this course.
11. Mr Shovelton confirmed that a number of UK companies were talking to their Masters about routing their vessels away from the affected areas. There were navigational difficulties and insurance and chartering interests had to be consulted. It would be impossible for all British vessels to avoid the area. He also pointed out that the typhoon season would affect the region over the next three months and some observers felt that the current wave of refugees would ebb during that period. He guessed that less than 5 per cent of the relevant vessels sailing in the China Seas would fly the British flag. The majority would be from Japan, Hong Kong and flags of convenience countries.
12. The Secretary of State said that while it would be understandable if companies re-routed their vessels, he himself was not proposing this as a solution.

#### ROACHBANK

13. Lord Inverforth described the problems associated with the ROACHBANK. This vessel had picked up her refugees on 23 May and had arrived off Taiwan on 25 May. The Taiwanese authorities had refused to allow her to enter port. The Venezuelan charterers (CAVN) had already chartered another vessel to carry the ROACHBANK's cargo from



Taiwan but, for the next position, there was \$1 million worth of freight to be lifted and CAVN were reluctant to use the ROACHBANK because of the uncertainty about the refugees. CAVN were proposing that the ROACHBANK should stay off hire until 20 June and then be present in Japan for one of their later requirements. This proposal would cost Bank Line an additional £70,000. The vessel had now been off Taiwan for 13 days and a decision from HMG was urgently needed.

14. Lord Inverforth added that CAVN were in the market for a vessel for delivery on the Continent for a trip out to Venezuela. This would suit the company's next new building, the RUDEBANK admirably but he was very concerned that in view of the trouble with the ROACHBANK the charterers would not consider the RUDEBANK.

15. Mr Shovelton commented that reports in the press in the previous week had suggested that the Home Office were preparing accommodation for the refugees on the ROACHBANK. The industry had therefore hoped that a solution was imminent. The ROACHBANK was a new and very valuable ship and the sooner its refugees could be removed the better.

16. Mr Head confirmed that there were contingency plans for receiving the refugees from the ROACHBANK but for the moment everything possible was being done to persuade Taiwan to accept them. If the Taiwanese refused, Ministers would have to consider the matter again but the Home Office had a responsibility to be ready to receive the refugees should this become necessary.

17. The Secretary of State added that as soon as the Government received a response from the Taiwanese authorities it would meet again to take very quick decisions. The Government was very conscious of the financial burden which the current situation placed upon the Bank Line, but equally he was sure it was right to exert the utmost pressure upon the Taiwanese authorities to accept the refugees.

#### NORSE VIKING

18. Mr Shovelton then referred to the problem of the NORSE VIKING which was at present discharging in Whampao in mainland China. It was already clear that the local Chinese authorities would not be prepared to take the 40 refugees on board. The vessel would leave China on 11 June and its next port of call would be in Japan where it was due for repairs and dry-docking. On past experience, the Japanese were likely to be very difficult about accepting the refugees for settlement. He suggested that it would be useful to start discussions with the Japanese authorities well before the vessel arrived.

19. Mr Flower agreed with Mr Shovelton's assessment of the chances that the Chinese would take this party of refugees. He also confirmed that while the Japanese would be ready to offer financial assistance in dealing with the refugee problem, they had shown themselves strangely reluctant to allow any significant numbers to be settled in Japan. The Government had been making general representations to the Japanese authorities but not, so far as he knew, about the specific problem of the NORSE VIKING. He would pass on Mr Shovelton's suggestion.



Conclusions

20. Mr Swire suggested that there would be value in the industry being taken to a greater extent into the Government's confidence. It had no wish to seek publicity and had deliberately not sought to stir things up in the press. It was the industry's policy to work as closely as possible with the Government on difficult issues of this sort. In return, however, it would be very helpful if the Council could be enabled to say to its members that the Government was taking the industry into its confidence in its plans to deal with this emergency. The industry would now have to re-consider its position in the light of the Secretary of State's statements. It continued to believe that the Government should maintain the previous Administration's commitment to accept any refugees taken on board British vessels and found the present position unacceptable.

21. The Secretary of State said he understood the industry's concern that each case should be dealt with as quickly as possible and he took note of their view that where it was impossible to have refugees accepted elsewhere HMG should take an urgent decision to admit them into the UK. He had no objections to the delegation saying that they had been to see him and if it would help them to make a statement at a later date his officials would be very ready to help to produce a joint statement setting out the respective views which had been expressed. This would have to make it clear that if HMG were to give an open-ended commitment to accept all refugees rescued by British ships, the chances of getting them settled in other countries with overseas Chinese populations would virtually be eliminated. Nevertheless, he would do his very best to get the earliest possible decisions on the problem of the ROACHBANK and would ensure that the industry's interests were properly borne in mind in the Government's consideration of this difficult issue.

*Tablis*

T G HARRIS  
PS/SECRETARY OF STATE FOR TRADE  
RM 805 V/S  
6 June 1979

cc Mr B Cartledge No 10  
PS/SOS/FCO  
PS/Home Secretary  
PS/MOS (T)  
PS/PUSS (T)  
PS/Secretary  
Mr Steele Dep Sec  
Mr Knighton Dep Sec  
Mr Morris SP  
Mr Dunning CRE2  
Mr Graham SP  
Mr Head Home Office  
Mr Flower FCO