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OD(79) 15th Meeting

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CABINET

DEFENCE AND OVERSEA POLICY COMMITTEE

MINUTES of a Meeting held at
10 Downing Street on
MONDAY 3 DECEMBER 1979 at 5.00 pm

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 Hailsham
Lord Chancellor

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 Lord Soames
Lord President of the Council

The Rt Hon Sir Ian Gilmour MP
Lord Privy Seal

The Rt Hon John Nott MP
Secretary of State for Trade

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Keith Joseph MP
Secretary of State for Industry

The Rt Hon John Biffen MP
Chief Secretary, Treasury

The Rt Hon Sir Michael Havers QC MP
Attorney General
(Items 1 and 2)

SECRETARIAT

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

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1. RHODESIA

Previous Reference OD(79) 12th Meeting

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Rhodesian Conference was now close to break-down because the Patriotic Front had not accepted the British proposals for a ceasefire. They had produced an entirely unacceptable paper in reply and it was proving very hard to carry matters forward by rational discussion. Their intentions were difficult to predict. It was possible that Mr Nkomo might be ready to come to an agreement without Mr Mugabe. Meanwhile the Salisbury delegation who had accepted the British proposals were reaching the end of their patience. To retain their co-operation, and to prevent the Patriotic Front appearing to have successfully ignored the deadline they had been given, he proposed, if the Committee agreed, to state publicly that the following action was being taken: an Order would be made at that evening's Privy Council meeting under which a Governor of Zimbabwe-Rhodesia could at the appropriate moment be appointed; both the Salisbury delegation and the Patriotic Front leaders would be given the full text of the new constitution which would be brought into force by Order in Council on 6 December; and preparations would go ahead for the passage through Parliament of an Independence Bill. Whatever happened, the Governor would almost certainly need to arrive in Rhodesia by early the following week. If a breakdown of the Conference proved unavoidable, Britain's position would be strengthened by the fact that international opinion was generally favourable to our cease-fire proposals, which the Patriotic Front leaders were being urged by their friends to accept. But there could still be very adverse effects on British interests.

THE PRIME MINISTER, summing up a short discussion, said that the Committee once again congratulated the Foreign and Commonwealth Secretary on the handling of the Conference and fully endorsed his proposals.

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The Committee -

1. Took note, with approval, of the Prime Minister's summing up of their discussion.
2. Invited the Foreign and Commonwealth Secretary to follow the course of action which he had proposed.

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2. BINGHAM REPORT

THE ATTORNEY GENERAL said that he was in a timetable difficulty over making a Parliamentary Statement on the action arising from the Bingham Report. The substantive question what action to take was a matter for the Director of Public Prosecutions. Now that the Director had made his decision and informed the Government it was important that Parliament be told as early as possible.

THE PRIME MINISTER, summing up a brief discussion, said that the precise timing of the Attorney General's statement to Parliament would need to be considered further between him and the Lord Privy Seal; would be affected by other elements in the Parliamentary programme; and could well be postponed until but should not be later than Monday, 10 December.

The Committee -

1. Took note, with approval, of the Prime Minister's summing up of their discussion.
2. Invited the Attorney General to be guided accordingly.

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3. FUTURE UNITED KINGDOM DEFENCE POLICY

The Committee considered a memorandum by the Secretary of State for Defence (OD(79) 30) which set out the fundamental principles upon which he proposed that future United Kingdom defence policy should be based.

THE SECRETARY OF STATE FOR DEFENCE said that this was the first time that the Committee had discussed defence policy in general terms. It was his recommendation that policy should continue to be based on the four pillars described in his paper: possession of the only NATO committed European nuclear force; defence of the United Kingdom base; deployment of substantial land and air forces on the Continent; and a major contribution to the Alliance effort in the Eastern Atlantic and the Channel. Endorsement by the Committee of this basic policy would be valuable as guidance both for the management of the defence programme and for the preparation of writing the next Defence White Paper. Particular factors to be stressed were the continuing growth in Soviet military capability; the need to do more, particularly for the defence of the United Kingdom base, where the national capability had been allowed to run down in accordance with the now-discarded "tripwire" strategy; the difficulty in recruiting both uniformed and skilled civilian manpower; and the need in the near future to take some difficult decisions on priorities in regard to the future equipment programme, on which he would be making specific proposals to the Committee in due course.

In discussion considerable doubts were expressed whether the necessary financial and manpower resources would in fact be available in the coming decades to meet the four basic commitments identified by the Defence Secretary. It seemed unlikely that the services could attract the 14 per cent of available young men which they would require by the mid 1990s, since they were unable to get even the 8.6 per cent they needed now. There was a general shortage of skilled manpower throughout industry. The 5 per cent growth target set by NATO bore much more heavily on this country than it did on some of our Continental allies, such as West Germany, who were at present devoting a markedly smaller proportion of their much larger gross domestic products to defence than the United Kingdom, and whose economies were expanding more rapidly. Although the £1000 million a year which arose from defence sales abroad was a welcome contribution, it was an insufficient return from the £5,800^{million} which was spent each year on defence research, development and production.

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In further discussion, it was pointed out that there were several areas of defence capability which were at present either neglected or non-existent. Since the defence cuts in 1974-75 the United Kingdom's general capability to operate outside the NATO area had been run down to vanishing point. There were normally no emergency intervention forces available or air transport to carry them. Civil defence had been neglected as a result of the "tripwire" strategy, and not enough was now being spent on it. But without adequate civil defence of the home base other defence capabilities were likely to be stultified. On the positive side, it was pointed out that there was scope for increased defence sales particularly in the Middle East if some of the constraints of foreign policy could be relaxed in relation to the provision of defence equipment to such countries as Saudi Arabia and Iraq. So far as British industry was concerned, defence was a model customer which planned for the future taking potential world markets into account, and whose requirements provided a valuable stimulus for British technology.

THE PRIME MINISTER, summing up the discussion, said that the Committee was doubtful whether all four of the major elements of the policy described by the Defence Secretary could be adequately encompassed even on the basis of the resources available now and in the short term, let alone those available in the longer term. It was important for Ministers to be in no doubt as to the order of priority which the Chief of Staff attached to the four elements; and thought should now be given to which of the four should be modified or abandoned if lack of economic or human resources made further cuts unavoidable, and what the implications of modification or abandonment would be. Meanwhile a more determined effort must be made to sell more defence equipment overseas, both by easing the political constraints which sometimes inhibited sales outside the Atlantic Alliance area and by persuading Britain's allies that they must buy more British equipment if they wished her to continue to make a substantial contribution to the common defence. The possibility of a further approach to the German Government on support costs should be held in reserve for the time being, although the lack of them might be a useful argument in the context of the dispute over the EEC budget.

The Committee -

Took note, with approval, of the Prime Minister's summing up of their discussion, and invited the Secretary of State for Defence to be guided by it in shaping future defence policy.

Cabinet Office

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5 December 1979

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