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OD(80) 8th Meeting

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CABINET

DEFENCE AND OVERSEA POLICY COMMITTEE

MINUTES of a Meeting held at
10 Downing Street on
WEDNESDAY 19 MARCH 1980 at 9.00 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 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 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 Michael Heseltine MP
Secretary of State for the Environment
(Item 3)

The Rt Hon Angus Maude
Paymaster General
(Item 3)

The Hon Douglas Hurd MP
Minister of State, Foreign and
Commonwealth Office
(Item 3)

The Hon Adam Butler MP
Minister of State, Department
of Industry
(Items 1 and 2)

Sir Kenneth Berrill
Central Policy Review Staff
(Item 2)

SECRETARIAT
SIR ROBERT ARMSTRONG
Mr R L Wade-Gery
Mr R M Hastie-Smith

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1. CIVIL HYDROGRAPHIC REQUIREMENTS

The Committee considered a memorandum by the Secretary of State for Trade (OD(80) 24) proposing a method of meeting the requirement to carry out surveys in United Kingdom coastal waters to meet the needs of merchant shipping.

THE SECRETARY OF STATE FOR TRADE said that about 70 per cent of the main shipping routes around the United Kingdom had not yet been surveyed by modern means. The most acute need was for periodic resurveys of the unstable areas in the Dover Straits and southern North Sea. There was a growing risk of a major maritime and environmental disaster, given the deep draught of modern tankers. Much embarrassment to the Government and considerable expense would then be involved. Traditionally hydrographic work for both naval and civil purposes had been carried out by the Hydrographer of the Navy. The problem was how to finance the capital and running cost of civil surveys in the future. His paper suggested a compromise between the various interests involved.

In discussion there was general agreement on the importance of the civil hydrographic requirement. The following points were made -

a. The Defence Budget was under pressure and economies had to be made. In such circumstances it would be particularly inappropriate to divert to civil purposes funds intended for defence. The defence tasks of the Hydrographic Fleet were of very high priority.

b. The Department of Trade's maritime budget, which only amounted to some £12½ million a year was already fully committed to such essential purposes as paying for the coastguard service.

c. The Department of Industry's Shipbuilding Intervention Fund was designed to ensure the viability of the shipbuilding industry. If part of it were used to meet the capital cost of one of the proposed new survey vessels, this would create many years of employment at only one third of the normal rate. The result would be a contraction of the industry ^{or} financial loss resulting from over-capacity. Use of the Fund would therefore only be justified if it led to two more survey ships being ordered at the same time and paid for from other sources.

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THE PRIME MINISTER, summing up the discussion, said that any British Government had an important responsibility to ensure that British waters remained safe for shipping. Additional public expenditure resources were not available. Existing resources must therefore be redistributed. It was reasonable that the Royal Navy should accept part of the responsibility, on the basis of the compromise proposed; and that the shipbuilding industry should be so managed that the suggested use of the Shipbuilding Intervention Fund did not involve any breach of financial limits. Further consideration should be given to the relative importance of the Hydrographic Fleet's defence tasks; to the possibility of raising some funds for civil survey work from other sources, eg from the European Community since other members besides Britain could suffer environmentally from a major maritime disaster, or from higher charges for charts; and to the possibility of carrying out essential civil tasks with less than the 3 new ships currently envisaged.

The Committee -

1. Approved the proposals in paragraph 5 of OD(80) 24.
2. Invited the Secretary of State for Defence to report on the high priority defence surveys on which the Hydrographic Fleet would be engaged until the mid 1990s, and on the availability and suitability of HMS Britannia for hydrographic purposes.
3. Invited the Secretary of State for Defence to consider whether charges for charts should be increased.
4. Invited the Secretary of State for Trade to investigate the possibility of a contribution from European Community sources to the cost of civil surveys.
5. Invited the Secretary of State for Trade to re-examine the need for as many as 3 new vessels for civil survey work.

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2. AID FOR TURKEY

The Committee considered a note by the Secretaries (OD(80) 29) to which was attached a minute from the Foreign and Commonwealth Secretary to the Prime Minister proposing British financial aid for Turkey in 1980-81, and a note by the Secretaries (OD(80) 28) to which was attached a report by an Official Group on Aid to Turkey.

THE FOREIGN AND COMMONWEALTH SECRETARY said that there was a strong political case for giving aid to Turkey. The country was of pivotal strategic importance to the West, which had been enhanced since the Afghan crisis, and a Turkish collapse would be a major blow. Internally the security position in Turkey was fragile, but Mr Demirel's government was attempting for the first time to tackle the root causes of their economic difficulties. This attempt would fail without external aid. The governments of the United States and West Germany were both committed to providing aid for Turkey, and Britain's relations with both countries would suffer if we did not play our part. It will be necessary to carry-over into 1980/81 the money pledged for 1979/80 but not yet drawn on by the Turks; to make a comparable new pledge for 1980/81; and to allow for the additional costs of debt rescheduling. This would mean finding a total of some £23 million for Turkey from the Contingencies Provision in the Aid Framework in 1980-81, leaving only £35 million for all other needs.

In discussion there was recognition of the strength of the political need to provide aid for Turkey. But it was argued that the position on the European Community budget made it easier for ^{OUR EUROPEAN COMMUNITY PARTNERS} them to provide such aid than it was for the United Kingdom. Possible claims for overseas aid in 1980-81 already amounted to more than the £35 million that would be left in the Contingencies Provision for aid. There was little likelihood of additional funds being available from the Central Contingencies Provision for this purpose. Of the other claimants, Rhodesia was of particular importance. Although it did not have the same strategic significance as Turkey, the present situation provided this country with a unique opportunity, which would not recur, to influence future developments in Southern Africa.

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THE PRIME MINISTER, summing up the discussion, said there was need for an early decision because of the requirement for the United Kingdom to have a firm position on the level and type of United Kingdom aid to Turkey in time for an Organisation for Economic Co-operation and Development meeting on 26 March at which firm pledges of aid would be expected from all participating countries. The level of aid proposed by the Foreign and Commonwealth Secretary appeared to be the minimum which this country could offer. But even this level of offer involved a number of difficulties that had emerged in discussion. The Foreign and Commonwealth Secretary would very shortly be discussing with the Governor of Rhodesia, Lord Soames, and the Chancellor of the Exchequer the level of aid for Rhodesia. In the light of that discussion he and the Chancellor of the Exchequer should give further consideration to the level of aid for Turkey. They should also consider the possibility of creating a link between that issue and the level of Britain's contribution to the European Community Budget. They should inform the Committee their conclusions.

The Committee -

Took note, with approval, of the Prime Minister's summing up of their discussion, and invited the Foreign and Commonwealth Secretary and the Chancellor of the Exchequer to be guided by it.

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5. OLYMPIC GAMES
Previous Reference: OD(80) 5th Meeting, Item 2

The Committee had before them a memorandum by the Foreign and Commonwealth Secretary (OD(80) 27) covering a progress report by the Minister of State, Foreign and Commonwealth Office, Mr Hurd, as chairman of the Ministerial Group on the Olympic Games.

THE MINISTER OF STATE, FOREIGN AND COMMONWEALTH OFFICE, said that he had just returned from a meeting in Geneva of the ad hoc Olympic steering group representing 12 governments who favoured a boycott of the Moscow Olympics. This had approved a confidential report on the 21 Olympic sports involved, which recommended where alternative games might be held in each case and which governments should approach the relevant national and international sporting bodies. The meeting had also agreed on a summary of its conclusions, which would be used for briefing the press and others concerned. Quiet discussions with sporting bodies, including the British Olympic Association (BOA), would now be necessary. The meeting had suffered from excessive publicity; but the Australian Government, who had been partly to blame for this, now seemed to realise that alternative games could be organised only by sporting bodies, not by governments. The purpose of suggesting alternative games had been to make it easier for athletes to decide to stay away from Moscow. At present most athletes were insisting that they would not stay away. Privately many of them were beginning to contemplate the possibility of doing so. But it would take time for this to emerge. The American National Olympic Committee (NOC) was expected to decide on 12 April to be guided by President Carter's advice, which meant that they would boycott. The West German NOC was likely to follow this lead. President Carter was also planning to prevent by executive order the completion of the television contract between the United States National Broadcasting Corporation and the Moscow Organising Committee.

In discussion the following points were made -

- a. The public debate in Britain was not developing satisfactorily. Ministers would need to ensure that the Government's case was fully set out in the media, as it had been in the House of Commons on 17 March. A major Ministerial speech would be necessary. But the public mood was unsympathetic, and too much emphasis on the Government's views was liable to be counter-productive. It would be helpful if a number of private individuals, and preferably prominent figures in the sports world, could be persuaded to argue the case for boycotting Moscow.

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b. It would have a useful effect if, as Mr Arthur Koestler had suggested, film material on the 1936 Olympics were shown on British television, since it would be clear how much propaganda use had been made of them for political purposes by the German Government of the day.

c. The decision which British athletes faced was for them an agonising one. The Government should make clear their sympathy for this, as well as their fear that athletes who went to Moscow would be politically exploited.

d. It should be emphasised that civil servants, members of the forces and policemen were free to use their ordinary leave to attend the Moscow Games if they so wished; and that special unpaid leave would be granted unless the demands of their work made it impossible, which was inherently unlikely.

e. Although no constituent body of the BOA was formally bound by what the Association decided, it would be unfortunate if their meeting on 25 March made an unqualified decision to go to Moscow. They would be the first NOC to take such a position and might be uncomfortably placed if eg the American and German NOCs subsequently decided on a boycott.

THE PRIME MINISTER, summing up the discussion, said that the Government would need to make new efforts, both direct and indirect, to get across to the public the strong arguments for a boycott of the Moscow Olympics. Departmental information officers should make this a priority task; and Ministerial lobbying of key editors and sports correspondents would be needed. It should be made clear to the BOA and to the public that the Government were ready to offer financial support, within the limits agreed, for the organisation of alternative games and for British participation. She would mention this in a letter she would shortly be sending to the BOA Chairman, Sir Denis Follows.

The Committee -

1. Agreed that a major public speech on the Government's case should be made by the Secretary of State for the Environment, if possible on 22 March.
2. Invited the Paymaster General, in consultation with the Secretary of State for the Environment and the Foreign and Commonwealth Secretary, to advise his colleagues on how best to ensure that the arguments for boycotting the Moscow Olympics were fully set out in the media, including television and the major popular papers as well as specialised sporting journals.

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3. Invited the Secretary of State for the Environment to seek to enlist the public support of persons prominent in the sports world, including Mr Christopher Chataway.

4. Invited the Foreign and Commonwealth Secretary and the Secretary of State for the Environment to speak to Sir Denis Follows about the undesirability of the British Olympic Association reaching an unqualified decision on 25 March in favour of going to Moscow.

5. Invited the Home Secretary to seek to persuade the British Broadcasting Corporation to show on television film material from the 1936 Berlin Olympics, illustrating the political capital made out of them by the Nazi Government.

6. Invited the Minister of State, Foreign and Commonwealth Office, in consultation with the Parliamentary Under-Secretary of State, Department of the Environment, Mr Monro, to carry quietly forward their consultations with sporting bodies about alternative games as agreed at the recent meeting in Geneva.

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4. IRAN

The Committee had before them a minute, reference FCS/80/60, circulated by the Foreign and Commonwealth Secretary on 18 March.

THE PRIME MINISTER, summing up a brief discussion, said the Committee agreed that an anodyne reply should be sent to President Carter's message of 13 March. It would be impossible in present circumstances to release to the Iranians the fleet replenishment ship Kharg, about which the Defence Secretary would shortly be circulating a minute. The Secretary of the Cabinet should arrange for the preparation of an up-dated report on the United Kingdom response to United States pressure for voluntary sanctions against Iran, for the Committee's consideration on 2 April.

The Committee -

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

Cabinet Office
20 March 1980