



CONFIDENTIAL

From the Secretary of State

B G Cartledge Esq
10 Downing Street
Whitehall
SW1

Mr. Sanders PA to me.
Disputed with FCO.
Subject to the
deletion of 'X' by
Mr. Wall. I have
17 July 1979 said we are
Gov. Sec 197

Dear Bryan,

INDO CHINA REFUGEES

Stephen Wall has sent me a copy of his letter to you of 17 July enclosing the draft of a statement which the Foreign Secretary is proposing to make on 18 July.

The statement itself makes no reference to refugees rescued by British vessels and Lord Carrington is proposing to deal with this by way of a supplementary. We are doubtful about the wisdom of relegating this matter to a supplementary and we are not happy about the present drafting of the supplementary.

Shipowners have been placed in the most difficult situation as a result of the present situation. I understand, for example, that the cost to Lord Inverforth's company of the ROACHBANK being out of service while waiting to unload refugees at Taiwan amounted to around £7,000 per day - over £200,000 in all. This was in addition to the out-goings for maintaining the refugees. There is also a possibility of claims against the shipping company from the charterers of the vessel for losses they may have incurred due to late delivery of cargo. You may be aware that Mr Patrick Wall has put down a question for written answer on 19 July about compensation to shipping companies where ships are held up for considerable periods.

contd/.....



The GCBS have been telling us that charterers are reluctant to use British ships in the area which could, of course, be extremely damaging to our valuable cross-trading interests and we have just received a letter from the President of the GCBS strongly urging that refugees picked up by British ships should automatically be included within the 10,000 so as to avoid the delays resulting from the present "case by case" procedure.

We would, therefore, like to say either in the statement or in the supplementary that we recognise these problems. However, we understand that the Foreign Secretary does not wish to publicise last week's Cabinet decision that the 10,000 should include those picked up by our ships. We would not therefore press for a reference to them in the statement itself but would like to see the relevant supplementary amended along the following lines:

X
"Masters of British vessels are well aware of their obligations towards persons in distress at sea. We recognise that compliance with these obligations presents problems to Masters and to shipowners. It is therefore our view that the so-called "first port of call" principle should apply and we hope that one of the results of the Geneva meeting will be to give further weight to this principle. [If in any particular case the country of first call refuses to receive the refugees, we shall be prepared to consider accepting them in the UK"]

If pressed - In this event, they may have to be counted against our new quota.



It may be desirable to add a further supplementary on shipowners' costs. This might be as follows:

"The costs falling to shipowners is one of the problems arising. We hope the Geneva meeting will help in this area".

I am sending copies of this letter to Stephen Wall and the other recipients of his letter.

Yours Sincerely,

Tom Harris

T G HARRIS
Private Secretary