



HOUSE OF COMMONS
LONDON SW1A 0AA

Ian Gow MP

2nd February, 1981

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You may remember that last Thursday, both in the Smoking Room, and at dinner, I exchanged a few thoughts with the Prime Minister on the vital subject of the defence of the Cape Route, and also the need to increase exports from our naval shipyards.

The Prime Minister will know only too well, the grievous state of our current naval order book, and will also know that unless some action is taken in the fairly near future, yards like Vospers will face closure.

She did say that she would be prepared to spare a few minutes to discuss this with me, and I have asked John Peyton to stand by as well. Naturally he has a major interest in the helicopter requirement for any maritime defence, and I know that he could usefully add some thoughts following consultation with Westlands.

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MARITIME DEFENCE - THE CAPE ROUTE

- A. Western Interest and Need. 45% of world shipping uses the Cape Route and in terms of oil supply 20% of U.S. requirement and 66% of European requirement comes round the Cape.
- B. No Role for S.A. Naval Forces. Following the Arms embargo on S.A. and the ending of the Simonstown Agreement all contacts on Naval matters have ceased and the S.A. Navy operates in complete isolation not only in terms of maritime surveillance but also in relation to sea rescue around her coasts. There are no joint naval exercises with Western Forces and no exchange of intelligence or individual training.
Inadequacy of Naval Forces. The S.A. Navy has not, since the early '60s, had any replacements for obsolete ships or aircraft.
- C. Russian Threat. The ever increasing strength and threat posed by the growth of the Russian "Blue Water" Navy is well known. One nuclear submarine launched in the U.S.S.R. every six weeks - double the N.A.T.O. effort.
- D. S.A. Naval Facilities. South Africa offers superb and under-used facilities, from Suldana Bay in the West to Richards Bay in the East. Simonstown at the top of the list but many others spring to mind. However, given the vast area of ocean which would require protection dozens of small ports with the back up of a network of airfields would be of vital importance, to protect the Cape Route.

E. U.K. Naval Shipbuilders. The original forecast for our Naval Shipbuilders was that 70% of production would be "domestic" and 30% export. There is a massive shortfall in both areas and unless new orders are found soon the great names in ship building like Vosper and Yarrow will be at risk. In order to modernise the S.A. Navy and make it capable of playing a major maritime defence role the following re-equipment is urgently required.

1 Sqn. Sea King Helicopters (Surveillance and Air/Sea
Rescue)

4 Frigates (each with Helicopter support)

4+ Coastal Minesweepers

Possibly longer term replacement for 3 French Daphne Class
Submarines.

CONCLUSION It would be quite unrealistic to envisage an early end to the present arms embargo against S.A. However, it could be that, given a lead from the United States, the maritime requirements of S.A. might be excluded in the interests of Western defence in a vital area. Even liberal views at home could accept the difference between Maritime defence and arms for internal use. Could not a united Western view on this also prevail in black African quarters as well? Finally the impact at home. Shipyard workers at Vospers, faced with a choice of S.A. contracts or the dole, would decide, as their fellow workers have done in Hamburg (Subs for Chile) to work. A Socialist M.P. would have a mighty struggle to choose between the Party line and the interests of his constituents. (Again Hamburg points this out. S.D.P. totally opposed to the order from Chile but all workers fully in favour.)

U.S. thinking of central importance. Even discounting revision of U.N. mandatory sanctions, there is major scope for reducing the Arms Embargo in the grey areas where at present the U.K. plays absolutely straight whilst others do not.