

010

1. Prime Minister.

Agreed not

Agree to the proposals in paragraph 6 below?

The last thing we want is to set up a special meeting at Chequers on a Sunday and the occasion then turn out to be a damp squib. Table 20.v.

Ref. A02196

MR. WHITMORE

I have been taking stock of the prospects for the discussion of foreign and defence policy at Chequers on 8th June.

2. The Foreign and Commonwealth Office are preparing a paper on East-West relations. It would be a useful paper to discuss as a prelude to a wide-ranging debate on defence policy, if it seemed as if that debate itself was likely, because of resource constraints, to indicate the need for difficult and painful choices; but it would not by itself justify a special meeting at Chequers.

3. It now looks less certain than it did some weeks ago that defence policy is going to require fundamental choices. I understand that the latest figures show that, provided that the defence budget is maintained at the agreed volume levels, the programme adjustments needed, while considerable, are probably not on a scale entailing major international difficulty. If this proves to be so, while there would still be several issues requiring specific reference to OD, there would be less case for a special preparatory meeting to set the scene as a whole.

4. The situation would be very different if the view were to be taken either that the economic prospect would require the Government to make further large reductions in public expenditure, or that we were going to have to spend a substantial sum of money on civil defence and that this had to come out of the defence budget, and that for these reasons we were going to have to abandon the commitment to a 3 per cent annual growth in defence expenditure (in real terms) over the coming years and to make major reductions in defence spending. We shall not, however, know by 8th June what is the prospect for the economic outlook and therefore for public expenditure, or what is the outcome of the review of civil defence policy. It looks therefore as if Ministers are not faced with the need to address themselves again at this time to fundamental questions of defence policy.

5. This means that we do not need at present to have the sort of discussion of defence policy which was envisaged for the Chequers meeting, as a prelude to the decisions which Ministers will be asked to take in July on defence programmes



and projects. Indeed, such a discussion would in the circumstances be something of an anti-climax, or non-event.

6. I suggest, therefore, that we should:

- (1) scrap the Chequers day on foreign policy and defence;
- (2) arrange an ordinary meeting of OD in early June to consider the FCO paper on East-West relations;
- (3) invite the Secretary of State for Defence to bring forward proposals on defence programmes and projects to an ordinary meeting of OD in July.

7. I am sending copies of this minute to Mr. Walden in the Foreign and Commonwealth Office and Mr. Norbury in the Ministry of Defence.

(Robert Armstrong)

*(approved by Sir R. Armstrong
and signed on his behalf)*

20th May, 1980



Defence

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

Thank you for your minute A02196 of 20 May 1980 which I have shown to the Prime Minister.

She agrees that there is no point in going ahead with the special meeting of OD at Chequers on 8 June if there is now no need to have a discussion of defence policy of the kind she had been envisaging. She is content therefore to proceed in the way you suggest in paragraph 6 of your minute.

May I take it that Mr. Wright will let the offices of members of OD know that the meeting on 8 June has been cancelled?

I am sending copies of this minute to Mr. Walden (FCO) and Mr. Norbury (MOD).

C. A. WHITMORE

21 May 1980