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Foreign and Commonwealth Office

London SW1A 2AH

12 June 1984

Dear John,

The Security of Small States

In your letter of 30 May you asked for comments on the points made by the Prime Minister in response to the Foreign Secretary's minute of 21 May before putting to her again the possibility of discussion in OD. I take the Prime Minister's points in turn.

The Prime Minister doubted whether it was accurate in paragraph 4 of the minute to describe Britain's strategic interest in some areas covered in the minute as 'virtually non-existent'. She also felt that the wording came close to implying that Britain should have intervened militarily in Grenada. Paragraph 4 sought to differentiate between, on the one hand, small states in areas of direct and vital strategic interest to the UK such as the Gulf (where we have specific undertakings to consult with the smaller states in time of need) and, on the other, small states in areas which are either of less direct strategic importance to the United Kingdom (such as the Caribbean) or which are, in strategic terms, of little importance to Britain (such as the South Pacific). HMG has (with the exception of Belize) no consultative defence arrangements with the small independent states of the Caribbean, Indian Ocean or South Pacific (although we do of course have residual responsibilities for the seven remaining dependent territories in those areas). But this does not let us off the hook politically because we have historical links with the states concerned and because the interests of our allies are directly involved. Because of the United States, both considerations weigh especially heavily in the Caribbean. Flowing from this there is no implication intended that such considerations would have compelled - or even justified - British intervention in Grenada. Simply that, as Grenada showed, the Caribbean is a sensitive area about which HMG needs to be especially vigilant.

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In referring in paragraph 9 to the desirability of establishing both 'understanding of and sympathy for' Britain, Sir Geoffrey Howe had in mind that support for HMG's policies were less likely to be forthcoming in the absence of sympathetic appreciation of Britain's position and interests.

The reinstatement of the BBC Caribbean Service would involve additional expenditure of about £200,000 a year. Under the BBC's Licence and Agreement, the Foreign Secretary is, after consultation with the Corporation, able to lay down where the External Services should direct their broadcasts. In this instance, the BBC do in fact want to re-establish their Caribbean service, which was cut in 1977, but have been unable to do so for lack of funds.

The Prime Minister doubts the statement that the appetite for separation among the small states of the Eastern Caribbean is undiminished. Clearly this is a matter of judgement. Sir Geoffrey Howe would agree that the leaders of these small states are, especially after Grenada, more aware than previously of their vulnerability and that they are showing some signs of wishing to co-operate over security matters. But the jealousies that the others feel for Barbados, which has taken the lead, are making this a far from easy matter and there is certainly no evidence that these little states wish to return to the status quo ante of a constitutional link-up, even though this would be in their interest.

The Prime Minister commented on paragraph 12 that 'we ought to work out more carefully how we are going to tackle subversion and takeovers from within'. A good deal of work has already been done on the specific means at our disposal for combatting subversion within small states. Work is also in progress on the wider principles involved, as requested in your letter of 1 June. This is a difficult and complex point to which there are no easy answers. Sir Geoffrey believes that the question of how far British policy should go on this aspect would form an important part of Ministerial discussion either in OD or at the meeting which the Prime Minister has in mind for September.

Finally, the Prime Minister suggested that the finance for the measures outlined in the minute should come from the FCO's contingency provision. The expenditure proposals outlined in paragraph 14 of the minute, if agreed, will not begin until 1985-86. The level of the FCO's contingency provision for that financial year is not yet known and, if it is as low as this year's (£1.3 million), will not be big enough to accommodate the proposed expenditure. In any case, the contingency provision is intended for genuinely unforeseen demands. It is not

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however proposed that all the expenditure should come out of additional PES provisions. A proportion - about a third - can, it is hoped, be accommodated within planned FCO/ODA ceilings.

Yours ever,

Len Appleyard

(L V Appleyard)
Private Secretary

A J Coles Esq
10 Downing Street

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10 DOWNING STREET

From the Private Secretary

14 June 1984

THE SECURITY OF SMALL STATES

Thank you for your letter of 12 June to John Coles conveying comments on the points made by the Prime Minister on the Foreign and Commonwealth Secretary's minute of 21 May.

The Prime Minister has noted these comments. She agrees that there should now be an OD discussion on the basis of the Foreign and Commonwealth Secretary's minute. You will wish to have the item included on an appropriate agenda.

I am copying this letter to Richard Hatfield (Cabinet Office),

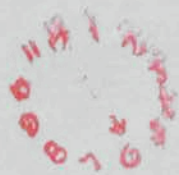
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Len Appleyard, Esq.,
Foreign and Commonwealth Office.

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12 JUN 1961



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PRIME MINISTER

Security of Small States

You will recall the Foreign and Commonwealth Secretary's minute of 21 May (Flag A) which set out his thinking on this problem, and suggested a discussion in OD.

You had various comments which I put to the Foreign and Commonwealth Office in my letter of 30 May (Flag B).

The Foreign and Commonwealth Office have considered these comments and the attached letter is the result (Flag C).

I think the best course now would be to include this subject on a suitable OD agenda. This would have the incidental advantage of a preliminary discussion of the question which is to be considered at your seminar at Chequers in the autumn.

Agree that there should be an OD discussion on the basis of the Foreign and Commonwealth Secretary's minute at Flag A?

A-FC:

Yes MB

13 June, 1984.

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10 DOWNING STREET

From the Private Secretary

30 May, 1984

The Security of Small States

The Prime Minister has seen the Foreign and Commonwealth Secretary's minute of 21 May. She has made a number of comments.

With regard to paragraph 4, Mrs. Thatcher has questioned whether it is accurate to describe the UK strategic interest in some of the areas listed as "virtually non-existent". She has also observed, with reference to the rest of the paragraph, that the wording comes close to implying that Britain should have intervened militarily in Grenada. I believe it is the statement "all these factors were involved in the Grenada crisis" which conveys this implication to the Prime Minister.

In paragraph 9, Mrs. Thatcher has questioned whether an appropriate aim of HMG's policies is to gain "sympathy" for as distinct from understanding of Britain. She has also asked whether the suggestion that the BBC Caribbean Service should be revived implies more expenditure - and has further asked whether we have the power to direct such a revival.

With regard to the first sentence of paragraph 11, the Prime Minister has commented that she doubts whether the appetite among small states in the East Caribbean for separatism is undiminished.

Mrs. Thatcher has commented on the last sentence of paragraph 12 as follows:

"We ought to work out more carefully how we are going to tackle subversion and takeovers from within."

Finally, on paragraph 14, the Prime Minister has minuted that she believes that the additional sums suggested

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to finance the measures outlined in the paper should come out of the FCO's contingency provision. She believes that there are too many bids to be accommodated at the moment and has observed that she has already agreed that the British council should have more money.

BH I should be grateful for comments on the above points in due course, following which I will put again to the Prime Minister the question of a possible discussion of the paper in OD.

P. F. Ricketts, Esq.,
Foreign and Commonwealth Office

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