CONFIDENTIAL 1 agree with Mr.

B.06810

Carthdag that we paper work.

Could do with more work.

PRIME MINISTER

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BACKGROUND

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FLAG A

The Foreign and Commonwealth Secretary's minute (PM/84/125) dated 18 July sets out his views on the important issue of how the security of small states may best be promoted. His objective is to seek agreement both on the broad lines of policy to be adopted by the United Kingdom and on the general approach to be taken in connection with the study commissioned at last November's Commonwealth Heads of Government Meeting into the security problems of small states. He also proposes a modest increase in related expenditure, which he suggests should be settled with the Chief Secretary in the course of the forthcoming Public Expenditure Survey discussions.

2. The Foreign and Commonwealth Secretary's paper provides a very broad survey of the threat which small states face and of the means available to help others to combat it.

Much of the non-controversial material in the minute is also contained in the Foreign and Commonwealth Office

Memorandum on "The Economic and Political Security of Small States" which was published on 19 July by the House of Commons Foreign Affairs Committee. A copy of this

Memorandum, which the Foreign and Commonwealth Office had expected to be published later in the year, is attached. The Memorandum does not, of course, address the specific points on which Ministerial decisions are now sought.

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- The published Memorandum states that the Government strongly supports the Commonwealth Secretary-General's study into the security problems of small states. It indicates that HMG will continue to fulfil its direct responsibilities for the security of the United Kingdom's remaining Dependent Territories. So far as independent small states are concerned it indicates that the Government's key objective is to encourage measures which are designed to achieve prevention rather than cure through a number of bilateral means, including the maintenance of a diplomatic presence in small states, increased technical assistance primarily through the provision of skilled manpower or training of local armed and police forces, and the pursuit of active information on cultural policies. It indicates that the Government will encourage greater regional co-operation and consult a range of other Governments with a view to agreeing a common approach.
- 4. The main additional points which are set out in the Foreign and Commonwealth Secretary's minute circulated for OD discussion relate to -
 - (a) the question of security assistance and guarantees where the promotion of the security of small states through bilateral security guarantees is not favoured, emphasising the importance of further steps to improve the United Kingdom's out-of-area intervention capability (paragraph 11);
 - (b) the identification of Canada, Australia, New Zealand and our major European NATO partners, in addition to the United States, as the other Governments to be consulted about establishing a common approach (recommendations at paragraph 17(a) and (e));

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- (c) the resource implications of increased support for members of the East Caribbean Reciprocal Security System (recommendation at paragraph 13(d).
- 5. The Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and the Chancellor of the Duchy of Lancaster are unable to attend the meeting. The Foreign and Commonwealth Secretary will be represented by the Minister of State, Foreign and Commonwealth Office (Baroness Young). The Chancellor of the Exchequer will be represented by the Economic Secretary (Mr Stewart). The Minister for Overseas Development (Mr Timothy Raison) and the Chief of the Defence Staff have also been invited to attend.

HANDLING

(a)

6. You should invite the <u>Minister of State</u>, Foreign and <u>Commonwealth Office</u>, to introduce the Foreign and Commonwealth Secretary's minute. You may then wish to structure the discussion along the following lines -

The Threat to Small States

This is treated in very general terms in the Foreign and Commonwealth Secretary's minute although there is a fuller discussion of the nature of the threat in paragraphs 15 and 16 of the attached Foreign and Commonwealth Office Memorandum for the House of Commons Foreign Affairs Committee. Should OD not be provided with a more systematic description of the perceived threat to the individual small states which are covered by the paper, together with an assessment of the measures available to assist countering these particular threats and the degree of British interest involved in each case? A more detailed study on these lines would perhaps provide

a surer foundation for the United Kingdom input to the

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Commonwealth Secretary-General's study, for the proposed approach to NATO allies and Canada, Australia and New Zealand, and for the judgements about allocation of resources at the next Public Expenditure Survey round. The Minister of State, Foreign and Commonwealth Office might be invited to comment.

- (b) Measures to Promote the Security of Small States
 In its discussion of measures to promote the security
 of small states the Foreign and Commonwealth Secretary's
 minute does not distinguish between those states which are
 still British Dependent Territories and those which have
 attained independence. Would it not be useful to give
 separate consideration to these two categories, since in
 the case of British Dependent Territories the
 United Kingdom faces fewer constraints in taking any
 necessary action against the threat of subversion? The
 policy objectives set out in paragraph 5 of the paper
 appear mainly applicable to independent small states.
 The Minister of State, Foreign and Commonwealth Office
 might be invited to comment.
- (c) Security

Is it the view of the Committee that bilateral security guarantees are inappropriate, except where our vital interests are at stake? Are the presently planned out-of-area intervention improvements sufficient?

Warship visits are given a specific mention in paragraph 11 of the minute but we plan to reduce force levels from 56 to 50 destroyers and frigates during the 1980s. The Defence Secretary and the Chief of the Defence Staff should be invited to give their views.

(d) Resource Implications
The paper highlights the need for more expenditure in relation to the Caribbean without indicating the criteria

CONFIDENTIAL now used for the allocation of available funds globally. In considering further work on priorities in relation to the threat and British interests, the Committee might welcome a fuller analysis of resource aspects. The Minister of State, Foreign and Commonwealth Office, the Minister for Overseas Development and the Economic Secretary, Treasury, might be invited to comment. CONCLUSION 7. You could guide the Committee in the light of discussion to agree with the general recommendations set out in paragraph 17 of the Foreign and Commonwealth Secretary's minute, many of which already underlie the policy published in the attached Memorandum. However, on the basis that if the problem is worth addressing it is worth addressing thoroughly, you could call for a more systematic examination of the situation of the small states in question, setting out the nature of the threat in each case, possible ways of combating this, and the degree of United Kingdom interest in the states concerned. This could lead to the establishment of more precise policy aims and to a better analysis of associated resource implications. Following further consideration by the Committee, the United Kingdom might then have more of substance to contribute in the proposed approach to NATO allies and Commonwealth partners on the way in which the use of available

Byan Cardida.

B G Cartledge

24 July 1984

resources could be better co-ordinated.