position to make this decision public.

In the light of the subsequent study which I foreshadowed in the Memorandum, I have concluded that we should achieve the reduction in the Hong Kong garrison by disbanding the Second Battalion, 7th Gurkha Rifles (2/7 GR) in 1987. This battalion was formed in 1980 to meet the internal security and illegal immigration situation then prevailing in the colony. It was recognised as a temporary expedient to meet the circumstances of the time and it was envisaged that any subsequent reduction in our garrison requirement would probably be met by disbanding it. A decision to disband the battalion now means that it can be achieved by a carefully managed programme over the next two years which should avoid any enforced redundancies.



- There is obviously a danger that an announcement of the 3. disbandment of 2/7 GR could be interpreted as an indication that the whole Brigade of Gurkhas is under threat, as 5,000 out of 8,200 of the Brigade's strength are stationed in Hong Kong and the garrison will be withdrawn by 1997. I therefore intend to make a positive statement about their future at the same time as announcing 2/7 GR's disbandment, striking a balance between the need, on the one hand, to maintain the Gurkhas' operational effectiveness and morale by scotching any suggestion that this particular disbandment is the first in a programme of reductions and, on the other, avoiding an open-ended commitment which in future years the Defence budget might find difficult to sustain. (Gurkha battalions in Hong Kong are 75% funded by the Hong Kong Government, so even a reduced Brigade of Gurkhas after 1997 would present substantial extra costs to the Defence Budget). The formula I recommend indicates a future for the Gurkhas but avoids a commitment about its size and nature, which this far in advance it is clearly not possible to offer.
- 4. The announcement would be made in London and Hong Kong by means of a press release publishing the gist of the letter which I would send to the Chairman of the House of Commons Defence Committee. A copy of what I propose to send to Sir Humphrey Atkins is attached.



- We need to move quickly on this. Now that EXCO have been 5. informed of the decision on the garrison reduction we cannot long delay an announcement if we are to avoid a premature leak. The announcement of the decision on 2/7 GR, and consequently of the long term future of the Brigade of Gurkhas, needs to accompany that on the garrison reduction in order to avoid damaging speculation and uncertainty about how the reduction will be effected. In any case, the steps which need to be taken now to set the disbandment in train will inevitably become known very soon. Accordingly, I should like to send my letter to Humphrey Atkins on Thursday before I go to Oman, with the press announcement the following day. The Nepalese and the Brigade itself will need to be informed in advance of the announcement on Friday and, to allow proper time for this, I shall need to set the wheels in motion on Wednesday afternoon.
- 6. If you or the members of OD(K) (to whom this minute is copied) have any comments, I should be grateful to have them by lunchtime on Wednesday 25th September.

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Ministry of Defence 23rd September 1985 CONFIDENTIAL (UNTIL RELEASED)

#### ANNEX

# DRAFT LETTER TO THE CHAIRMAN OF THE HOUSE OF COMMONS DEFENCE COMMITTEE

### HONG KONG FORCE LEVELS AND THE FUTURE OF THE BRIGADE OF GURKHAS

You will recall that the Clerk to your Committee wrote on 24th July asking for a paper by 25th October outlining our present thinking on the future of the Brigade of Gurkhas.

I am writing to inform you that we have decided in consultation with the Hong Kong Government to reduce the Hong Kong garrison by one battalion from 1987. Currently, one British and four Gurkha infantry battalions are stationed there. The reduction will be a return to pre-1980 force levels, when the garrison was increased by one battalion to combat a surge in illegal immigration. The decision does not of course imply a lessening of our commitment to Hong Kong, but rather reflects our confidence in the stability of the Territory. We shall continue to be responsible for the defence and internal security of Hong Kong up to 1997, and we shall maintain the forces needed for the purpose.

As a result of this decision it will be possible to forego a new barracks (Kohima) that was to have been built in Hong Kong, and also to dispose of an old barracks (Lyemun), which will no longer be needed, with consequent financial savings and benefits for us and for the Hong Kong Government.

The reduction in the garrison will be effected from 1987 by disbanding the Second Battalion, 7th Gurkha Rifles (2/7 GR). This battalion was only formed as a temporary measure in 1980 when the garrison was expanded, and it was not established at the same level as other Gurkha battalions. Indeed, it was originally intended to replace it by a British battalion in 1987. Disbandment will involve a combination of some voluntary redundancy, restricted recruiting, natural wastage and redeployment to other units. There should be no enforced redundancies.

Given this battalion's unique establishment and status, it follows that its disbandment will have no implications for the long term viability of the Brigade of Gurkhas. In this context I should make it clear, and will be doing so publicly, that I intend that there shall be a continuing role for the Gurkhas after 1997 within the British Army. The final size and shape of the Gurkhas will turn on operational and resource factors facing the entire British Army at the time which it is too early to foresee at this stage.

I shall be announcing these decisions in a press release to be issued at 1200 on 27th September, and I should be grateful if this information could be treated in confidence by you until then.



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#### 10 DOWNING STREET

From the Private Secretary

25 September 1985

HONG KONG FORCE LEVELS
AND THE FUTURE OF THE BRIGADE OF GURKHAS

The Prime Minister has considered the Defence Secretary's minute of 23 September about the proposal to disband the Second Battalion, 7th Gurkha Rifles in 1987.

She agrees with the proposal but shares Mr. Heseltine's view that it will need very careful handling. It was helpful to have sight of the line which Mr. Heseltine proposes to use publicly.

I am copying this letter to the Private Secretaries to members of OD(K).

(CHARLES POWELL)

Richard Mottram, Esq., Ministry of Defence.

CONFIDENTIAL

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## Foreign and Commonwealth Office

London SW1A 2AH

25 September 1985

Dear Richard,

25/9

Hong Kong Force Levels and the future of the Brigade of Gurkhas

I have consulted the Foreign Secretary about your Secretary of State's minute of 23 September to the Prime Minister. Sir Geoffrey Howe is content with Mr Heseltine's proposals for announcing the decision to reduce the Hong Kong garrison by one battalion and that this should be effected by disbanding 2/7 Gurkha Rifles. We have consulted the Government of Hong Kong, who are also content with what is proposed.

The Foreign Secretary accepts, too, that your Secretary of State should refer to the long term future of the Brigade of Gurkhas in his letter to the Chairman of the House of Commons Defence Committee and that the gist of this letter should be made public. It will of course be necessary to tell the Government of Nepal of what is proposed before the announcement on 27 September. Our officials are in touch with yours about the arrangements for this.

I am copying this letter to Private Secretaries to members of OD(K).

Yours Sincerely Cotin Budd

(C R Budd)
Private Secretary

Richard Mottram Esq PS/Secretary of State Ministry of Defence Whitehall LONDON SW1

