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OD(80) 9th Meeting

COPY NO 42

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DEFENCE AND OVERSEA POLICY COMMITTEE

MINUTES of a Meeting held at  
10 Downing Street on  
THURSDAY 20 MARCH 1980 at 4.00 pm

PRESENT

The Rt Hon Margaret Thatcher MP  
Prime Minister

The Rt Hon William Whitelaw MP  
Secretary of State for the  
Home Department

The Rt Hon Lord Hailsham  
Lord Chancellor

The Rt Hon Lord Carrington  
Secretary of State for Foreign  
and Commonwealth Affairs

The Rt Hon Sir Geoffrey Howe QC MP  
Chancellor of the Exchequer

The Rt Hon Francis Pym MP  
Secretary of State for Defence

The Rt Hon Sir Ian Gilmour MP  
Lord Privy Seal

The Rt Hon John Nott MP  
Secretary of State for Trade

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Keith Joseph MP  
Secretary of State  
for Industry  
(Items 1 and 2)

The Rt Hon Michael Heseltine MP  
Secretary of State for  
the Environment  
(Item 3)

The Rt Hon George Younger MP  
Secretary of State for Scotland  
(Item 3)

Admiral of the Fleet  
Sir Terence Lewin  
Chief of the Defence Staff

SECRETARIAT

Sir Robert Armstrong  
Mr R L Wade-Gery  
Mr R M Hastie-Smith  
Air Commodore J B Duxbury

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- DEFENCE POLICY AND PROGRAMME  
Previous Reference: OD(79) 13th Meeting, Item 3

The Committee considered a memorandum by the Secretary of State for Defence (OD(80) 26) putting forward general proposals on future British defence policy.

The Committee's discussion is recorded separately.

THE PRIME MINISTER, summing up the discussion, said that the Committee took note of the views of the Chiefs of Staff as set out in paragraph 4 of OD(80) 26, and of the need to reshape the defence programme to fit the resources available. Difficult choices would be involved. No decisions were required at the present stage. In preparing specific proposals the Defence Secretary would wish to take account of the Committee's preliminary views on the policy guidelines set out in his paper.

The Committee -

Invited the Defence Secretary to bring specific defence policy proposals to the Committee in June, based on their discussion of the guidelines set out in paragraph 10 of OD(80) 26.

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## 2. INTERVENTION CAPABILITY OUTSIDE NATO

The Committee considered a note by the Secretaries (OD(80) 25) covering an interdepartmental study of the political and economic case for a British military intervention capability outside the NATO area in the light of changes in the international situation.

THE PRIME MINISTER, summing up a short discussion, said that the need for an intervention capability was accepted. Some reorganisation and modest improvements were therefore called for. But there should be no major diversion of British resources from their NATO tasks. In accordance with the Committee's decision on 22 January, work should now proceed on the military implications of providing the capability envisaged. The Defence Secretary should report to the Committee on this at the same time as he brought forward proposals about defence policy as envisaged under the previous item on their agenda. The new arrangements for an intervention capability should be announced publicly as a moment chosen to ensure maximum impact internationally and should be so presented as to mitigate the effect of any programme reductions which might become apparent for reasons set out in the Defence Secretary's paper (OD(80) 26).

The Committee -

1. Endorsed the conclusions in paragraph 26 of the paper attached to OD(80) 25.
2. Invited the Defence Secretary to examine, on this basis, the feasibility and cost of providing a suitable enhancement of Britain's intervention capability outside the North Atlantic Treaty Organisation area and its implications for defence policy.

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## 3. CIVIL PREPAREDNESS FOR HOME DEFENCE

The Committee considered a memorandum by the Home Secretary (OD(80) 22) proposing that he should make an early public statement about preliminary measures to improve civil home defence and should arrange for work to continue on the possibility of a further programme. They also had before them a note by the Secretaries (OD(80) 23) covering a memorandum by the Chairman of the Official Committee on Home Defence and a preliminary report by an official working party.

THE HOME SECRETARY said that the paper by officials was an important study which made clear that more work was needed before strategic decisions could be taken about the longer-term issues involved. There was a real danger that lack of civil home defence preparedness could undermine the defence strategy of deterrence. But the Government also faced an immediate problem, to which his own paper was primarily addressed. In the wake of the Afghanistan crisis public opinion had become alarmed at the state of civil home defence. National morale in this area would in the short run depend less on any particular level of preparedness than on a general feeling that something was being done. Difficulty had also arisen over an official pamphlet entitled Protect and Survive. This had been prepared for use in an emergency but had not been published. It was, however, already in circulation among journalists, and the Government was suspected of seeking to suppress it in order to conceal the inadequacy of existing preparations. In the face of Parliamentary pressure, it had been necessary to agree that the pamphlet would be published as soon as it had been revised. He himself had also undertaken to make a statement soon after Easter. In this he would need to make clear that a review of the whole subject was continuing. As preliminary steps he hoped to announce that the pamphlet would be put on sale (though there would be pressure to distribute it free); that volunteer effort would be encouraged (though without creating a bureaucratic structure); and that conditions should be improved for the volunteer Royal Observer Corps. The cost of these measures would not be large; and he would be able, albeit with considerable difficulty, to accommodate them within his departmental estimates.

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In discussion the following points were made -

- a. A Ministerial statement could not avoid underlining the seriousness of the subject. There was therefore a danger of increasing rather than diminishing public alarm.
- b. There was also a danger that too much emphasis on the preliminary nature of the Home Secretary's statement, and on the Government's continuing review of the subject, might arouse public expectations which it would be impossible to live up to, not least because of financial constraints.
- c. For the same reasons it might be unwise actively to promote sales of Protect and Survive after it was published. Scope for revising it adequately would in any case be limited, given the shortage of time and the fact that the present version was already in the hands of the press.
- d. A weakness of the pamphlet was that it was directed primarily to the context of nuclear attack, whereas the main increase in the threat arguably lay in the conventional field. Advice on protection against conventional attack would need to be left largely to volunteer effort.
- e. It was not clear whether the Scottish Office would need to contribute to the limited expenditure proposed in OD(80) 22. This point would be further examined by the Home Secretary and the Secretary of State for Scotland.
- f. Local authorities' financial contribution to civil home defence preparations at present constituted no more than a minute proportion of their total expenditure.
- g. There would be advantage if Ministers concerned could be given an expert presentation on civil home defence. The fact that there was to be difficulty in finding suitably qualified experts for this purpose itself a commentary on the lack of attention to the subject in recent years.

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THE PRIME MINISTER, summing up the discussion, said that the Committee endorsed the preliminary steps proposed by the Home Secretary. He should aim at an undramatic statement, in order not to arouse expectations which it would be impossible to fulfil. The further decisions he envisaged when present studies were complete were likely to present the Committee with considerable difficulty. They would need to be considered in parallel with decisions on military defence policy. Civil preparedness was an integral element in the spectrum of national defence.

The Committee -

- 1. Invited the Home Secretary to make an early public statement as proposed in OD(80) 22.
- 2. Instructed the Secretary of the Cabinet to arrange for officials to complete their study of the problem of civil defence preparedness, in order to provide a comprehensive basis for further Ministerial decisions.
- 3. Instructed the Secretary of the Cabinet to arrange for co-ordinated consideration to be given to civil and military policy objectives in the home defence field, as envisaged in the Secretaries' note OD(80) 23.

Cabinet Office  
24 March 1980

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DEFENCE AND OVERSEA POLICY COMMITTEE

LIMITED CIRCULATION ANNEX

OD(80) 9th Meeting Minutes  
THURSDAY 20 MARCH 1980 at 4.00 pm

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1. DEFENCE POLICY AND PROGRAMME

The Committee considered a memorandum by the Secretary of State for Defence (OD(80) 26) putting forward general proposals on future British defence policy.

THE SECRETARY OF STATE FOR DEFENCE said that he was putting forward proposals for future defence policy in the light of the Committee's discussions on 3 December and 22 January. The advice of the Chiefs of Staff had been requested. This was set out in paragraphs 4 and 5 of his paper. The review of the priorities to be accorded to the major elements of defence policy had been complicated by the mismatch between the programme and the available resources which had emerged from the 1980 long-term costings of the defence programme. In broad terms in the period 1981-1984 an excess of between 5 per cent and 7 per cent over the approved Public Expenditure Survey figures had emerged in each year. Some degree of excess was normal at this stage, but not on this scale. The situation was aggravated by the fact that the cost of the new equipment continued to increase in real terms, because of the need for increasing sophistication to meet qualitative as well as quantitative improvements in the Soviet threat. Nevertheless it was the advice of the Chiefs of Staff that none of the four main elements of policy should be abandoned. His policy proposals to meet the situation were

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set out in paragraph 10 of his memorandum. Three particular problems required emphasis. First, it would be politically very difficult to reduce the level of British forces based in Germany. The cohesion of the North Atlantic Treaty Organisation (NATO) would be endangered; and there would also be a less important risk of prejudicing the outcome of current negotiations on Mutual Balanced Force Reductions (MBFR). But if the level of these forces was not reduced, the quality of their equipment was likely to be degraded by comparison both with their allies and with their potential enemies. Second, reductions in the equipment programme would have serious effects on British defence industries. Third, reductions in the planned defence programme would be extremely difficult to present to the Government's supporters, to the general public and to our allies, even though defence expenditure would be increasing by 3 per cent in real terms over the previous year's level.

In discussion there was general agreement with the proposed approach to the problem described by the Defence Secretary. The Committee considered paragraph 10 of OD(80) 26 in detail and the following points were made on its 13 sub-paragraphs -

a. It was argued that it would be more logical to give top priority to the defence of the United Kingdom base than to a new strategic nuclear force to replace Polaris. The importance attached to defending the home base also emphasised the illogicality of neglecting civil home defence. But it was pointed out that the British home base would be indefensible if the rest of Europe were over-run. Furthermore, regardless of civil home defence, the maintenance of the strategic nuclear deterrent provided the best national security assurance of all because of the threat of indestructible retaliation which it posed to a potential enemy.

b. It was agreed that there should be no cut back on plans for direct defence of the United Kingdom base; but such plans needed to be considered in conjunction with civil home defence.

c. The importance of the British contribution to the defence of the Northern Flank was agreed.

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d. The possibility of reducing British forces based in Germany raised great political difficulties. It could be convincingly argued that in the long term the United Kingdom should concentrate on maintaining naval and air forces in the Eastern Atlantic and Channel. But in the short term any reductions in the British Army of the Rhine (BAOR) would certainly threaten the cohesion of the Alliance. If any unit were to be withdrawn it should probably be the non-mechanised field force numbering about 3,000 men which had been kept outside the main BAOR divisional organisation for withdrawal in the event of a MBFR agreement. But the financial savings would amount to only about £30 million a year and were probably outweighed by the political risks involved. Nevertheless it was agreed that the policy option of withdrawing forces from Germany should not be ruled out at this stage.

e. The desirability of reducing non-garrison forces in Northern Ireland was agreed. The function of such forces was becoming increasingly the maintenance of Protestant morale. Their contribution to the current security situation was diminishing in value, and they were tending simply to provide targets for terrorist attacks. The Defence Secretary would be considering the matter further, in consultation with the Secretary of State for Northern Ireland. But the effect of such reductions should not be exaggerated; the present level of forces was only just over twice the normal garrison level. One major unit had already been withdrawn and the public had hardly realised it. Further reductions were planned.

f. The future level of British maritime forces in the Eastern Atlantic area would be related to whatever decisions were taken about the future level of forces in Germany. But the case for any maritime reductions would need most careful consideration. Unlike the Central Front, where the British contribution in men and material amounted to something like 10 per cent of the Alliance effort, the British contribution in the Eastern Atlantic was about 80 per cent. Furthermore British expertise in this field was of a high order, and if there were ever to be any specialisation within the Alliance this was the obvious area on which Britain should concentrate.

g. This item was discussed under item 2 of the agenda.

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h. It was agreed that the scope for making more use of reserve forces should be examined. This was an area in which the Government had already announced a number of decisions.

i. and j. The defence procurement policy of seeking to reduce the inventory of weapon systems, and buying as much equipment as possible from British industry or European collaborative arrangements, was agreed. A decision had already been taken on the Sting Ray project, which had been begun several years earlier. But the Defence Secretary was not yet in a position to make recommendations about other major equipment decisions, such as the replacement of the Jaguar or the Sea King which might each cost around £1,000 million. It was arguable that Britain should no longer seek to match qualitatively the equipment possessed by her richer allies or by her main potential adversaries. Simpler equipment might also sell better abroad. But the consequences of programme reductions were likely to be painful to some important parts of British industry including firms with excellent export potential. There would be an immediate problem in regard to the missile division of British Aerospace for which a flotation had been planned in the forthcoming summer. This would not now be possible in view of the uncertainties over future defence orders. The Secretary of State for Industry would be considering this matter further in consultation with the Defence Secretary.

k. It was agreed that there should be no general cut back of missile and ammunition stocks.

l. It was agreed that the drive to cut out inessentials and make the most cost-effective use of resources should be intensified.

m. The concept of specialisation in tasks and equipment was agreed as a long term aim of policy. But it was argued strongly that a dialogue in this area with Britain's allies should not be started at the present juncture when it would look like a cloak for reducing Britain's overall contribution to the Alliance. It was unfortunate that, as the discussion of force levels in Germany and in the Eastern Atlantic had shown, short-term political imperatives seemed to run in the opposite direction to long-term national interests.

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THE PRIME MINISTER, summing up the discussion, said that the Committee took note of the views of the Chiefs of Staff as set out in paragraph 4 of OD(80) 26, and of the need to reshape the defence programme to fit the resources available. Difficult choices would be involved. No decisions were required at the present stage. In preparing specific proposals the Defence Secretary would wish to take account of the Committee's preliminary views on the policy guidelines set out in his paper.

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24 March 1980

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