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B.07073

PRIME MINISTER

c Sir Robert Armstrong

Meeting of OD at 11.15 (after Cabinet) on Thursday 25 July

The Security of Small States

(OD(85)17)

BACKGROUND

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FLAG A

In his memorandum of 17 July, the Foreign and Commonwealth Secretary has provided further advice, in addition to that in the memorandum (OD(85)9) he submitted jointly with the Defence Secretary on 13 May 1985. The earlier joint memorandum recommended that policy should be based on the objectives of prevention rather than cure, the promotion of regional co-operation among small states and the encouragement of allies to play a greater role. The further memorandum confirms this approach and considers that, in the light of the additional £5 million of security assistance proposed for small states over the PESC period, further funds should not be drawn from other commitments for the purpose. The Foreign and Commonwealth Secretary recommends that £4.5 million of the £5 million should be found from the existing aid programme in order to fulfil our commitment to provide coastguard facilities in the Eastern Caribbean. He also recommends that, in anticipation of the Commonwealth Secretariat's Consultative Group report on the special needs of small states expected in mid-August, OD should agree that an additional £½ million should be provided for an enlarged joint representation facility at the United Nations by certain small states. He considers that this could be found by negotiating with the Australian and New Zealand Governments for funds to be made available following the winding up of the British Phosphate Commission. The Foreign and Common-





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wealth Secretary also sets out proposals for presenting our policy at the Commonwealth Heads of Government Meeting (CHOGM) in October after further co-ordination with Canada, Australia and New Zealand.

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2. The memoranda of 13 May and 17 July were prepared in response to the remit given at the OD meeting on 25 July 1984 (OD(84) 9th Meeting) when the Foreign and Commonwealth Secretary and Defence Secretary were invited to carry out a further examination to identify which small states were strategically vulnerable and likely to be targets for subversion or takeover by the Soviet Union; and to make recommendations on the best ways of combatting such threats and on an approach to NATO allies and Commonwealth partners to co-ordinate national efforts. It was envisaged that this would put the United Kingdom in a sound position for discussion of measures to promote the security of small states at CHOGM this year.

3. All members of the Committee and the Secretary of State for Northern Ireland are expected to attend. The Chief of Defence Staff has also been invited.

#### HANDLING

4. You should invite the Foreign and Commonwealth Secretary to introduce his memorandum and the Defence Secretary to comment on the security aspects. You may then wish to structure the discussion on the following lines, covering the main points of the remit given by OD a year ago -

a. The threat to small states

A summary of the assessed threat to the small states covered in these two memoranda is set out in Annex C to OD(85)9. The states most vulnerable to external or internal threats are considered to be Bahrain, the Republic of Cyprus, Dominica, Guyana, Kuwait, Lesotho,





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Qatar, Suriname and the United Arab Emirates. Although in the light of this list, the security of the Gulf is given top priority, it is proposed to maintain rather than increase aid to that region. Priority among the other states listed above is given first to those in the Caribbean and second to those in the Indian Ocean. Do the Committee accept these judgements in the light of the threat of subversion or attack, our responsibilities to remaining British Dependent Territories and our economic interests? Does the present situation in the Gulf in particular warrant additional security assistance? Is it accepted that there is no scope for additional assistance to small states, given the current pressures on the aid programme? The Foreign and Commonwealth Secretary, the Defence Secretary, the Chancellor of the Exchequer and the Trade and Industry Secretary should comment.

b. Ways of combatting the threat

The measures proposed to improve security in the two memoranda are well tried: the training of armed and police forces, improvement of civilian management and a more active information policy. Are there additional remedies? Is it the view of the Committee that bilateral security guarantees are inappropriate, except where our vital interests are at stake? Military visits to and exercises with small states receive specific mention in paragraph 2e of OD(85)9. Will the presently planned numbers of surface warships be able to sustain the desired level of warship visits? Have we the right balance of capabilities for assisting small states? The Defence Secretary should be invited to give his views.

c. Regional co-operation

Paragraph 2e of OD(85)9 supports greater political and practical co-operation within existing regional





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organisations but there are no concrete proposals. What practical ideas have emerged from the year's work since the OD remit was given last July? The Foreign and Commonwealth Secretary and Defence Secretary should comment.

d. Co-ordination with NATO allies and Commonwealth partners

A year ago OD called for substance to be given to the approach then proposed to NATO allies and Commonwealth partners. Paragraph 2f of OD(85)9 advocates that we should continue to consult selected allies in a low-key way, to share assessments and promote greater co-ordination and assistance; and paragraph 23 of the supporting paper sets out a possible plan for such co-ordination. The advice is however against a major United Kingdom initiative in this field. Is this approach acceptable, given the need to meet the threat and to convince CHOGM of the effectiveness of our policy? Would any of the measures being considered to combat the threat make better sense in a plan co-ordinated with friendly nations? Should we not consult Canada, Australia and New Zealand about additional support by them for small states? The Foreign and Commonwealth Secretary and Defence Secretary should comment.

CONCLUSION

5. Subject to discussion, you could guide the Committee -
  - a. to agree the general policy recommendations set out by the Foreign and Commonwealth Secretary in OD(85)9;
  - b. to agree the proposal that, given the current pressures on the aid programme, there is no scope for substantial additional assistance to small states, subject to the exceptions set out in paragraph 10(b) of OD(85)17;





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c. to decide what further steps need to be taken with NATO allies and Commonwealth partners, in advance of CHOGM in October and in the longer term.

C L G Mallaby

23 July 1985