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CC(82) 48th
Conclusions

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CABINETCONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on

THURSDAY 11 NOVEMBER 1982

at 10.00 am

PRESENT

The Rt Hon Margaret Thatcher MP
Prime MinisterThe Rt Hon William Whitelaw MP
Secretary of State for the Home DepartmentThe Rt Hon Lord Hailsham
Lord ChancellorThe Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the ExchequerThe Rt Hon Sir Keith Joseph MP
Secretary of State for Education and
ScienceThe Rt Hon James Prior MP
Secretary of State for Northern IrelandThe Rt Hon John Nott MP
Secretary of State for DefenceThe Rt Hon Peter Walker MP
Minister of Agriculture, Fisheries and FoodThe Rt Hon Michael Heseltine MP
Secretary of State for the EnvironmentThe Rt Hon George Younger MP
Secretary of State for ScotlandThe Rt Hon Nicholas Edwards MP
Secretary of State for WalesThe Rt Hon Patrick Jenkin MP
Secretary of State for IndustryThe Rt Hon John Biffen MP
Lord President of the CouncilThe Rt Hon David Howell MP
Secretary of State for TransportThe Rt Hon Norman Fowler MP
Secretary of State for Social ServicesThe Rt Hon Leon Brittan QC MP
Chief Secretary, TreasuryThe Rt Hon Baroness Young
Lord Privy SealThe Rt Hon Nigel Lawson MP
Secretary of State for EnergyThe Rt Hon Norman Tebbit MP
Secretary of State for EmploymentThe Rt Hon Cecil Parkinson MP
Chancellor of the Duchy of Lancaster
and Paymaster GeneralThe Rt Hon Lord Cockfield
Secretary of State for Trade

SECRET

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Michael Jopling MP
Parliamentary Secretary, Treasury

Lord Belstead
Minister of State, Foreign and
Commonwealth Office

SECRETARIAT

Sir Robert Armstrong
Mr P L Gregson (Item 4)
Mr D J S Hancock (Items 2 and 3)
Mr A D S Goodall (Items 2 and 3)
Mr D H J Hilary (Item 1)
Mr L J Harris (Item 1)
Mr W Moyes (Item 4)

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PARLIAMENTARY
AFFAIRS

1. The Cabinet were informed of the business to be taken in the House of Commons during the following week.

Report of the
Parliamentary
Boundary
Commission for
Northern
Ireland

THE SECRETARY OF STATE FOR NORTHERN IRELAND said that he had now received and circulated to the Cabinet the report of the Parliamentary Boundary Commission for Northern Ireland. The Commission had recommended that the number of constituencies in Northern Ireland should be increased from 12 to 17, in line with the requirements of the House of Commons (Redistribution of Seats) Act 1979, and, in a supplementary report, had also recommended that five members should be returned from each of the 17 constituencies to the Northern Ireland Assembly, thereby increasing the total membership of the Assembly from 78 to 85 members. He was under a statutory requirement to lay these recommendations before Parliament "as soon as may be", together with a draft implementing Order in Council. He did not expect the recommendations to the subject of major controversy in Northern Ireland itself, but some of the Government's supporters in the House of Commons might well be critical of the proposal to increase the number of Parliamentary seats while there was still a possibility that the Northern Ireland Assembly would eventually acquire devolved powers. The political effect of the proposed changes was difficult to estimate. They might give the unionists 12 seats and the nationalist parties 5 seats (including another 2 seats for Sinn Fein); but if there were no especially wide divisions among the unionists, and if, as was likely, the nationalist vote in each constituency was split between Sinn Fein and the Social Democratic and Labour Party, it was possible that the unionists could take all 17 seats at the next General Election. It would not be practicable to change the Commission's recommendations at this stage, and he proposed that they should be laid before Parliament as soon as possible.

THE PRIME MINISTER, summing up a short discussion, said that the Home and Social Affairs Committee had already agreed that the reports of the English, Scottish and Welsh Boundary Commissions should be laid before Parliament as soon as possible after they were received in January or February 1983. Any delay in laying the Northern Ireland report would give the Opposition grounds for arguing that there should be a similar delay in dealing with the other three. The Cabinet agreed that the Northern Ireland report should be laid as soon as possible.

The Cabinet -

1. Invited the Secretary of State for Northern Ireland, in consultation with the Lord Privy Seal and the Parliamentary Secretary, Treasury, to arrange for the report of the Parliamentary Boundary Commission for Northern Ireland to be laid before Parliament, together with a draft implementing Order in Council, as soon as possible.

Britoil

Previous
Reference:
CC(82) 44th
Conclusions,
Minute 1

THE SECRETARY OF STATE FOR ENERGY said that it was of the utmost importance that there should be no debate or statement on the disposal of Britoil until the shares had been allocated. The Government should be ready to explain the reasons for this to the Speaker if the Opposition attempted to force an emergency debate under Standing Order No. 9.

Data
Protection Bill

THE HOME SECRETARY said that the policy on the Data Protection Bill would have to be considered further by the Home and Social Affairs Committee. A number of difficult policy issues connected with the scope and method of exemption from the requirements of the Bill remained to be settled, and it was now doubtful whether the Bill would be ready for introduction before the Christmas Adjournment.

Security

THE PRIME MINISTER said that she would be making a statement in the House of Commons that afternoon on security following the conviction of Mr Geoffrey Arthur Prime the previous day on espionage charges. Mr Prime had resigned from Government Communications Headquarters (GCHQ) in 1977, but security procedures had not been materially altered since then. Whether there was a case for more stringent application of the existing procedures would be a matter to be considered by the Security Commission, to whom she would be referring the case. Detailed surveillance of the large number of people employed at GCHQ, even if practicable would not be conducive to the efficiency of GCHQ's work, and in any event no vetting process or other procedures could be fully proof against the activities of someone sufficiently skilled and determined to keep his activities secret, unless the authorities resorted to methods of investigation and surveillance which would be extremely repugnant in a free country. If his superiors had become aware that Mr. Prime was receiving psychiatric treatment in 1972, his position would have been very fully considered; but they did not become aware of that fact.

The Cabinet -

2. Took note.

FOREIGN
AFFAIRS

Death of
President
Brezhnev

2. THE MINISTER OF STATE, FOREIGN AND COMMONWEALTH OFFICE reported that the Soviet Government had now publicly confirmed that President Brezhnev had died on 10 November. A decision on his successor would be taken by the Politburo and ratified by the Central Committee of the Soviet Communist Party as soon as possible. The terms of the messages of condolence which would need to be sent from The Queen, the Prime Minister and the Foreign and Commonwealth Secretary were under consideration. The question of attendance at the funeral would also need to be addressed, in consultation with the governments of Britain's European Community partners. Since Mr Brezhnev had been Head of State as well as First Secretary of the Soviet Communist Party, it would be necessary for The Queen to be represented as well as the Government.

THE PRIME MINISTER said that she would be reluctant to attend the funeral, but would be ready to do so if the President of the French Republic, Monsieur Mitterrand, and the Chancellor of the Federal Republic of Germany, Kerr Kohl, went. It would be necessary to consult the Government of the United States as well as European Community Governments before reaching decisions.

The Cabinet -

1. Took note.

East-West
Economic
Relations

Previous
Reference:
CC(82) 47th
Conclusions,
Minute 2

THE MINISTER OF STATE, FOREIGN AND COMMONWEALTH OFFICE, said that agreement had now been reached in Washington between the representatives of the seven governments concerned, plus the Presidency and Commission of the European Community, on the terms of the paper on East-West economic relations put forward by the United States Secretary of State, Mr Shultz. Confirmation of this agreement was subject to arrangements satisfactory to the United States' allies being reached on handling and presentation and to a decision by President Reagan to lift the United States' sanctions against European firms. It was accepted by all except the French that the terms of Mr Shultz's paper should be published and that President Reagan should make only a short accompanying statement. The President's decision to end the measures against European firms had been expected that day in the light of a meeting of the American National Security Council earlier in the week, but no announcement had yet been made.

In discussion it was pointed out that President Reagan's intentions were still unclear. The United Kingdom's aim was to secure the complete lifting of the United States embargo; but it was not certain that President Reagan would be prepared to go as far as this. The Europeans might have to be content with a lifting of the retrospective measures imposed by the United States in December 1981 and June 1982, together with the related Denial Orders. This would enable British firms to fulfil contracts entered into before the United States embargo had been imposed, but restrictions on subsequent or future contracts would remain in force.

THE PRIME MINISTER summing up the discussion, said that the news of Mr Brezhnev's death heralded a testing and uncertain period in East-West relations in which cohesion and unity within the Alliance would be more important than ever. It was therefore essential that the United States should settle the current dispute with its European partners over economic sanctions without further delay. An urgent message in this sense should be sent to the United States Government through HM Ambassador at Washington.

The Cabinet -

2. Invited the Foreign and Commonwealth Secretary to send instructions to HM Ambassador at Washington in accordance with the Prime Minister's summing up.

3. THE MINISTER OF STATE, FOREIGN AND COMMONWEALTH OFFICE, reported that the Council had discussed the Commission Memorandum on the Community's future development policy. Two Commission proposals, unwelcome to the United Kingdom, were firmly rejected: the creation of a new target for Community aid as a proportion of gross national product and the incorporation of the European Development Fund within the Community budget.

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD reported that the Danish Prime Minister had spoken to the President of the Commission to say that the reports that the Danish Government had completely rejected the proposed fisheries agreement were exaggerated, but that Denmark needed one or two minor concessions to enable the package to be accepted. The Danish Prime Minister had suggested two possible concessions which would, in fact, be entirely unacceptable to the United Kingdom because, if granted, they would cause the total rejection of the package by the United Kingdom industry. So far, there was no sign of any break in ranks by the nine member states who accepted the package; but there was clearly a risk that, sooner or later, one or other of them would put pressure on the United Kingdom to make a gesture to the Danes, whereas the United Kingdom could not afford to make any further concessions.

THE SECRETARY OF STATE FOR SCOTLAND said that he entirely agreed. At the last Council of Ministers meeting to discuss fisheries the Government had used up the very last vestige of goodwill of the representatives of the Scottish fishermen.

THE SECRETARY OF STATE FOR ENERGY reported that the Council had made distinct progress towards the acceptance in principle of the idea of a Community coal policy. A further Council to discuss coal would be held on 10 December.

COMMUNITY AFFAIRS

Council of Ministers (Development) 8 November

Common Fisheries Policy

Previous Reference: CC(82) 47th Conclusions, Minute 3

Council of Ministers (Energy) 9 November

Anglo-French
Summit
4-5 November

THE PRIME MINISTER said that the main outcome of the Anglo-French Summit was an agreement that officials would be in more regular contact than previously, so that each government would get to know more of what the other thought and the possibilities for agreement could be more fully explored. Some of the bilateral meetings between particular Ministers at the Summit had been business-like and reasonably friendly; others had been rather acrimonious. Regardless of the atmosphere in each particular bilateral, the relevant French Minister had then at the Plenary Session read out a prepared statement which underlined French difficulties and appeared to take no account of any co-operation that had been achieved in the bilateral discussions. President Mitterrand's presentation to the Press afterwards had been reasonably satisfactory, and the decision by the French government to abstain in the United Nations vote on the resolution about the Falkland Islands had been most welcome and was no doubt accounted for by the fact that British Ministers were in Paris at the time.

The Cabinet -

Took note.

INDUSTRIAL
AFFAIRSNational
Health Service
Pay DisputePrevious
Reference:
CC(82) 47th
Conclusions,
Minute 4

4. THE SECRETARY OF STATE FOR SOCIAL SERVICES said that progress was being made towards the resolution of the pay dispute in the National Health Service (NHS). In the case of the nurses and related groups, the revised two-year pay offer and the proposal for consultations about a review body had been announced on 9 November and were being considered by the Royal College of Nursing (RCN) and other professional organisations, and by the trade unions. It was hoped that the RCN Council would later that day decide to recommend acceptance of the settlement package. They might, however, decide to consult the membership by a ballot whose costs would be reimbursed by the Government under the provisions of the Employment Act 1980. In that event, it was hoped that a favourable result would emerge in time for a settlement to be reached at the next meeting of the Nurses and Midwives Whitley Council on 14 December. It was also welcome that the RCN had now voted against affiliation to the Trades Union Congress (TUC) and in favour of retaining their rule against industrial action.

In the case of the remaining NHS groups the TUC Health Services Committee had now entered into negotiations with the Government following the calling off of the National Day of Action planned for 8 November. Following consultations with the Prime Minister and the Chancellor of the Exchequer he had indicated that the Government might be prepared to increase its offer in respect of 1983-84 by half of one per cent for these groups also, provided that the trade unions were prepared to conclude a settlement on this basis. The majority of the unions represented on the Committee were now in favour of early meetings of the relevant Whitley Councils at which the Government's revised offer would be tabled and of reaching a settlement on that basis. So far, however, the National Union of Public Employees had remained intransigent. The trade unions were holding further discussions that morning with the Advisory, Conciliation and Arbitration Service, who were likely to reaffirm that the Government's position was that no more money would be available in respect of 1982-83 and that there would be a differential pay increase in that year in favour of the nurses and related groups. It was probable that the unions would wish to meet him that afternoon.

THE PRIME MINISTER, summing up a brief discussion, said that the additional half of one per cent had been made available to the groups other than the nurses and related groups only on the understanding that a settlement would be concluded on this basis. The negotiations were therefore at a critical stage. It should also be borne in mind that the proposal for a review body for the nurses and related groups was conditional on acceptance of the Government's revised pay offer, as the Secretary of State for Social Services had made clear in his statement to the House of Commons on 9 November.

The Cabinet -

1. Took note.

Water
Industry Pay
Negotiations

Previous
Reference:
CC(82) 47th
Conclusions,
Minute 4

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that the employers in the water industry would be making their response to the trade unions' pay claim later that day. The Minister for Local Government and Environmental Services had explained to them the undesirability of an offer greater than 4 or 4½ per cent, and it was hoped that this advice would be heeded. Such an offer would probably be rejected and the employers might therefore have recourse to arbitration, to which there was unilateral access, and which was binding on both sides. Industrial action could not be ruled out. It would be essential to make it clear to the public that the water workers were reasonably well paid and were not doing particularly dirty or unpleasant jobs; fact sheets had been prepared for use by Press Offices for this purpose. In the longer term consideration would need to be given to the future of the arbitration arrangements, and to seeing what could be done to inhibit the water industry, and other public sector monopolies, from passing on excessive pay increases in higher charges.

The Cabinet -

2. Took note.

Cabinet Office

11 November 1982