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CABINET

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

WEDNESDAY 2 APRIL 1980

at 5.00 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 Sir Keith Joseph MP
Secretary of State for Industry

The Rt Hon Francis Pym MP
Secretary of State for Defence

The Rt Hon James Frior MP
Secretary of State for Employment

The Rt Hon Sir Ian Gilmour MP
Lord Privy Seal

The Rt Hon Peter Walker MP
Secretary of State for Agriculture, Fisheries
and Food

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment

The Rt Hon George Younger MP
Secretary of State for Scotland

The Rt Hon Nicholas Edwards MP
Secretary of State for Wales

The Rt Hon Humphrey Atkins MP
Secretary of State for Northern Ireland

The Rt Hon Patrick Jenkin MP
Secretary of State for Social Services

The Rt Hon Jehn Nott MP
Secretary of State for Trade

The Rt Hon David Howell MP
Secretary of State for Energy

The Rt Hon Mark Carlisle QC MP
Secretary of State for Education and
Science

The Rt Hon John Biffen MP
Chief Secretary, Treasury

The Rt Hon Angus Maude MP
Paymaster General

THE FOLLOWING WERE ALSO PRESENT

Rt Hon Norman Fowler MP
 Minister of Transport

The Rt Hon Michael Jopling MP
 Parliamentary Secretary, Treasury

Earl Ferrers
 Minister of State, Ministry of Agriculture,
 Fisheries and Food

SECRETARIAT

Sir Robert Armstrong
 Mr P J Harrop (Item 1)
 Mr R L Wade-Gery (Items 2 - 4)
 Mr D M Elliott (Items 2 - 4)
 Mr W N Hyde (Item 1)

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CONFIDENTIAL

1. The Cabinet were informed of the business to be taken in the House of Commons during the week beginning 14 April.

THE PRIME MINISTER, summing up a brief discussion, said that the Ministers concerned should consider further, in consultation with the Chancellor of the Duchy of Lancaster and the Parliamentary Secretary, Treasury, which Departments should be represented on the Standing Committee on the Social Security (No. 2) Bill, and who should wind up the Second Reading debate.

The Cabinet -

Invited the Secretary of State for Social Services, in consultation with the Secretary of State for Employment, the Secretary of State for Scotland, the Secretary of State for Wales, the Chancellor of the Duchy of Lancaster and the Parliamentary Secretary, Treasury, to give further consideration to the choice of Government spokesmen for the Social Security (No. 2) Bill on Second Reading and in Standing Committee, and to report the outcome to the Prime Minister.

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that on the previous day it had looked as though the United States hostages in Tehran were about to be transferred to the Iranian Government's control, but President Bani-Sadr had now said that the latest United States statement on the subject had been inadequate. The situation was therefore confused. In the view of Her Majesty's Ambassador, however, some progress towards a settlement of the problem had probably been achieved.

THE FOREIGN AND COMMONWEALTH SECRETARY said that the recent visit to Britain of the Chancellor of the Federal Republic of Germany, Herr Schmidt, and his Foreign Minister, Herr Genscher, had been notable for its excellent atmosphere. Discussion of subjects other than the European Community had concentrated on Iran, on East-West relations and on the Middle East and Africa. The meeting had indicated a complete identity of views on these topics and had established a relationship which would be of major value in the future.

The Cabinet -

Took note.

3. THE PRIME MINISTER said that, although it was clear from her talks with Chancellor Schmidt, and the Foreign and Commonwealth Secretary's parallel discussion with Herr Genscher, that it would be unduly optimistic to count on other Members of the European Community (EC) being willing to find the amounts of money that would be required for a satisfactory solution of the problem of Britain's net contribution to the EC Budget, the talks had taken place in a good atmosphere. On the related issues, she had resisted Chancellor Schmidt's pressure for any package to include a series of principles for solving the fisheries problem. But she had accepted that it was reasonable to try to settle other outstanding problems in which other countries had an interest, like sheepmeat and possibly agricultural prices, within the same timescale as the budget issue, provided that they were dealt with on their merits.

In a brief discussion it was reported that President Giscard appeared from a recent statement to have abandoned the idea of a link between fish and the budget; and that, after consulting the Lord Privy Seal, the Minister of Agriculture, Fisheries and Food had responded favourably to a recent approach from his French counterpart suggesting bilateral talks on matters of mutual interest before the next European Council.

The Cabinet -

Took note.

4. THE HOME SECRETARY said that there was a possibility of industrial action by Scottish water workers, who unlike their counterparts in England, had not yet reached agreement with their employers. The danger point was still probably a week or more away. The Civil Contingencies Unit had met and the Secretary of State for Scotland had discretion to take certain precautionary steps, in consultation with other Ministers concerned, if they should prove necessary. A further meeting of the Unit would be held if required. In his absence abroad the Secretary of State for Employment had kindly agreed to act as its chairman.

The Cabinet -

Took note.

Cabinet Office

3 April 1980