

SECRET

1207 2513

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

CM(77) 13th  
Conclusions

COPY NO

60

CABINET

---

CONCLUSIONS of a Meeting of the Cabinet  
held at 10 Downing Street on  
THURSDAY 24 MARCH 1977  
at 10.30 am

---

PRESENT

The Rt Hon James Callaghan MP  
Prime Minister

The Rt Hon Michael Foot MP  
Lord President of the Council

The Rt Hon Lord Elwyn-Jones  
Lord Chancellor

The Rt Hon Denis Healey MP  
Chancellor of the Exchequer

The Rt Hon Merlyn Rees MP  
Secretary of State for the Home  
Department

The Rt Hon David Owen MP  
Secretary of State for Foreign and  
Commonwealth Affairs

The Rt Hon Shirley Williams MP  
Secretary of State for Education and  
Science and Paymaster General

The Rt Hon Anthony Wedgwood Benn MP  
Secretary of State for Energy

The Rt Hon Eric Varley MP  
Secretary of State for Industry

The Rt Hon Peter Shore MP  
Secretary of State for the Environment

The Rt Hon Roy Mason MP  
Secretary of State for Northern Ireland

The Rt Hon Bruce Millan MP  
Secretary of State for Scotland

The Rt Hon John Morris QC MP  
Secretary of State for Wales

The Rt Hon Fred Mulley MP  
Secretary of State for Defence

The Rt Hon Albert Booth MP  
Secretary of State for Employment

The Rt Hon David Ennals MP  
Secretary of State for Social Services

The Rt Hon Edmund Dell MP  
Secretary of State for Trade

SECRET

SECRET

The Rt Hon Lord Peart  
Lord Privy Seal

The Rt Hon Joel Barnett MP  
Chief Secretary, Treasury

The Rt Hon John Silkin MP  
Minister of Agriculture, Fisheries  
and Food

The Rt Hon Roy Hattersley MP  
Secretary of State for Prices and  
Consumer Protection

The Rt Hon William Rodgers MP  
Secretary of State for Transport

The Rt Hon Stanley Orme MP  
Minister for Social Security

The Rt Hon Harold Lever MP  
Chancellor of the Duchy of Lancaster

ALSO PRESENT

The Rt Hon Michael Cocks MP  
Parliamentary Secretary, Treasury

SECRETARIAT

Sir John Hunt	
Sir Roy Denman	(Items 2 and 3)
Mr W I McIndoe	(Item 1)
Mr D le B Jones	(Items 4 - 6)
Sir Clive Rose	(Item 2)
Mr J A Marshall	(Items 4 - 6)
Mr A D Gordon-Brown	(Item 1)
Mr A K H Atkinson	(Item 3)

C O N T E N T S

Item	Subject	Page
1.	PARLIAMENTARY AFFAIRS	1
2.	FOREIGN AFFAIRS	
	Meeting of the European Council in Rome 25-27 March	1
	Indian Elections	1
3.	COMMUNITY AGRICULTURAL SUPPORT PRICES 1977-78	2
4.	INDUSTRIAL DEMOCRACY IN THE POST OFFICE	4
5.	OCCUPATIONAL PENSION SCHEMES BILL	6
6.	GAS PRICES	8

**CONFIDENTIAL**

PARLIAMENTARY  
AFFAIRS

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

FOREIGN  
AFFAIRS

---  
Meeting of the  
European Council  
in Rome  
25-26 March

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that one issue which would prove difficult at the meeting of the European Council due to be held in Rome on 25-26 March concerned the possible representation of the Community at the meeting of the Downing Street Summit on 7-8 May and in particular the possibility that Mr Roy Jenkins might attend as President of the Commission. When the Council of Ministers (Foreign Affairs) had discussed this question on 8 March the French had been isolated in opposing the representation of the Community as such (that is by the Presidency of the Community and by the President of the Commission) at the London Summit. Since then there had been a growing chorus of protest from the smaller Member States, in particular the Benelux countries, and the hope had been expressed that the French line might change after their municipal elections. But the French Foreign Minister had made it clear to him that French opposition was firm and this had been confirmed by a message the previous day from President Giscard to the Prime Minister maintaining French opposition in uncompromising terms. While, therefore, it was our duty as the Presidency to try and promote agreement it would be most undesirable to let the atmosphere of the forthcoming European Council be soured by prolonged argument over an issue which, though important, was not a major one.

In discussion it was suggested that there would now be advantage in inducing the smaller Member States to recognise the hardening of French opinion and the risk in these circumstances that a row at the European Council would only be counter-productive and distract from major and substantive issues such as unemployment and the world economic situation.

Indian Elections

In a brief discussion on the outcome of the Indian election, it was noted that according to the latest information Mr Desai was likely to be the new Prime Minister. Although now an old man he still combined determination and high moral purpose with authoritarian views and financial conservatism. It was however too early to form a reliable judgment of the policies of the new Indian Government: and it might be several months before these became clear. Indeed it was arguable that the Janata Party might not hold together for long. We had welcomed the new Government but we should not turn our backs on Mrs. Gandhi, who had to some extent been misrepresented and of whom we had probably not heard the last in Indian politics.

The Cabinet -

Took note.