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CC(81) 7th
Conclusions

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CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 19 FEBRUARY 1981
at 11.00 am

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 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
Chancellor of the Duchy of Lancaster and
Paymaster General

The Rt Hon Lord Soames
Lord President of the Council

The Rt Hon James Prior MP
Secretary of State for Employment

The Rt Hon John Nott MP
Secretary of State for Defence

The Rt Hon Sir Ian Gilmour MP
Lord Privy Seal

The Rt Hon Peter Walker MP
Minister of 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 John Biffen MP
Secretary of State for Trade

SECRET

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 Norman Fowler MP
Secretary of State for Transport

The Rt Hon Leon Brittan QC MP
Chief Secretary, Treasury

ALSO PRESENT

The Rt Hon Michael Jopling MP
Parliamentary Secretary, Treasury

SECRETARIAT

Mr M D M Franklin
Mr P Le Cheminant (Item 4)
Mr R L Wade-Gery (Item 2)
Mr D M Ellicott (Item 3)
Mr W N Hyde (Item 1)
Mr G D Miles (Item 4)
Mr L J Harris (Item 1)

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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

2. THE LORD PRIVY SEAL said that hopes for the early release of the four British detainees in Iran had so far been disappointed. Comments by an Iranian Government delegation recently in Britain had been discouraging. But a more helpful statement had since been made by the President of the Iranian Supreme Court, Ayatollah Beheshti.

Previous
reference:
(81) 6th
conclusions,
note 2

THE LORD PRIVY SEAL said that a group including one British subject working in Iraq had been kidnapped by Kurdish rebels. It had been made clear to the Iraqi Government that they were responsible for ensuring his safety. Similar cases in the past had ended satisfactorily.

and
Previous
reference:
(81) 6th
conclusions,
note 2

THE LORD PRIVY SEAL said that the new Prime Minister of Poland, General Jaruzelski, appeared for the moment to have achieved the double feat of reassuring the Soviet Union and at the same time reducing the pressure of strikes inside Poland. A number of potentially dangerous issues remained unsettled, eg in relation to censorship and to trades union legislation. But for the moment the threat of Soviet intervention seemed to have receded.

Zimbabwe
Previous
reference:
(81) 6th
conclusions,
note 2

THE LORD PRIVY SEAL said that the recent internal fighting in Zimbabwe had been the worst since independence. But it now seemed to have been brought to an end. The political leader of the former Zimbabwe People's Revolutionary Army (ZIPRA) guerrillas, Mr Nkomo, and senior ZIPRA officers in the national Joint Headquarters had played a constructive role in pacifying their followers in the troubled areas.

The Cabinet -

1. Took note.

In the course of a brief discussion it was pointed out that a fierce debate was expected in the Federal Parliament in Ottawa over the Canadian Government's proposals for the patriation of the Constitution. The associated proposal for a Bill of Rights already appeared to have been significantly modified. A request for action by the Westminster Parliament was likely to be received in about a month's time. Meanwhile the legal, constitutional and political issues involved would be considered by the Defence and Oversea Policy Committee. The British media were beginning to report more favourably on the Canadian Government's case and on the strength of their popular support. But it was not clear how far that support extended beyond patriation itself to include also the proposed amending formula and Bill of Rights.

The Cabinet -

2. Took note.

3. THE CHANCELLOR OF THE EXCHEQUER reported that at the 16 February Council of Economics and Finance Ministers (Ecofin) we had succeeded, with German support, in securing agreement that there should be a full discussion of the Commission's 1981 agricultural price proposals at the March Ecofin Council.

THE LORD PRIVY SEAL reported that the Germans had taken an aggressive line on external fisheries questions at the 17 February Council of Foreign Ministers. They had sought, with some success, to isolate the United Kingdom by arguing that the fisheries agreement between the Community and Canada should go ahead independently of a settlement on the Common Fisheries Policy as a whole. The Dutch Presidency had nevertheless been helpful and we had maintained our reserves on the Canada and Faroes agreements.

Canada
Previous
Reference:
(81) 6th
Conclusions,
Paragraph 2

COMMUNITY
AFFAIRS

CAP
Price Fixing

Previous
Reference:
(81) 4th
Conclusions,
Paragraph 3

Common
Fisheries
Policy
Previous
Reference:
(81) 6th
Conclusions,
Paragraph 3

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THE SECRETARY OF STATE FOR TRADE said that the same Council had adopted a further declaration voicing the Community's concern at the inadequate Japanese response to their last statement and agreeing on arrangements to introduce retrospective Community surveillance of imports from Japan of cars and other sensitive products. The Council had also received a report from the Commission on recent talks in Washington about trade relations with the United States, on which discussion would be resumed at the March Council.

In a brief discussion it was suggested that the only hope for worthwhile progress in achieving a better trading balance with Japan lay in concerting action with the United States. It was noteworthy that in 1973 the Americans had been able within 12 months to turn a deficit of \$6 billion in their trade with Japan into a surplus of \$1 billion. They had done this by threatening the Japanese that failure to respond to their pressure would result in a worsening of their relations with the United States, in the defence field in particular. While a united Community approach, to which the Germans held the key, was important, it was unlikely to have a major impact on the Japanese unless we could secure American support to convince them of the political risks they were running.

The Cabinet -

Took note.

INDUSTRIAL
AFFAIRS

4. The Cabinet's discussion and the conclusions reached have been recorded separately.

Cabinet Office

19 February 1981