

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

C(81) 20th
Conclusions

COPY NO

78

CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 21 MAY 1981
at 10.30 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 Lord Carrington
Secretary of State for Foreign and
Commonwealth Affairs

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

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

SECRET

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

Sir Robert Armstrong
Mr M D M Franklin (Items 2 and 3)
Mr P Le Cheminant (Item 4)
Mr R L Wade-Gery (Items 2 and 3)
Mr D J L Moore (Item 4)
Mr L J Harris (Item 1)
Mr R M Whalley (Item 1)

CONTENTS

Item	Subject	Page
1.	PARLIAMENTARY AFFAIRS	1
	MPs' and Ministers' Pay	1
	Canadian Constitution	1
2.	FOREIGN AND COMMUNITY AFFAIRS	
	Lebanon	2
	France	2
	United Kingdom Presidency	3
	Japan	3
3.	NORTHERN IRELAND AFFAIRS	4
4.	CIVIL SERVICE PAY	5

CONFIDENTIAL

PARLIAMENTARY
AFFAIRS

1. The Cabinet were informed of the business provisionally arranged to be taken in the House of Commons during the week beginning 1 June 1981.

Ms' and
Ministers'

THE PRIME MINISTER, summing up a brief discussion, said that the Cabinet noted that the debate on the pay of Ministers and Members of Parliament was at present the only item of business proposed for Friday 5 June. The Chancellor of the Duchy of Lancaster and Paymaster General should consider whether there was any additional business which could usefully be taken on that day, though the Cabinet recognised the difficulties of changing the programme, which had already been seen by the Opposition, at this stage.

Previous
reference:
(81) 18th
conclusions,
minute 6

The Cabinet -

1. Invited the Chancellor of the Duchy of Lancaster and Paymaster General, in consultation with the Chief Whip and other Ministers concerned, to consider whether any business in addition to the debate on the pay of Ministers and Members of Parliament could be taken in the House of Commons on Friday 5 June.

Canadian
Constitution

THE CHANCELLOR OF THE DUCHY OF LANCASTER AND PAYMASTER GENERAL said that the Supreme Court of Canada was expected to deliver its judgment on the constitutional issues now before it at the end of May or early in June. The judgment was unlikely to be unanimous, though the general expectation seemed to be for a majority for the view that the Federal Government's proposals were not unconstitutional. Mr Trudeau had undertaken not to pursue the proposals in their present form if the Supreme Court ruled against them. If the Federal Government's views were upheld by the Court, an Address to The Queen requesting the enactment of the appropriate legislation at Westminster would be sent to London as soon as the necessary Resolution had been passed in the two Houses of the Canadian Parliament. He would bring proposals on the handling of any such request before the Cabinet as soon as the Supreme Court verdict was available, but it was already clear that, if the Government were to seek to enact a Canada Bill before the Summer Recess, it might be necessary to consider postponing until the autumn Royal Assent to at least one other Bill which it had been hoped to pass by the end of July, and for Parliament to sit into August. In the meantime, he had agreed with the Foreign and Commonwealth Secretary that the Government's reply to

Previous
reference:
(81) 14th
conclusions,
minute 2

the two reports by the Select Committee on Foreign Affairs should not be published until the Supreme Court judgment was available, and that it should be amended as necessary to take account of the Court's findings.

The Cabinet -

2. Invited the Chancellor of the Duchy of Lancaster and Paymaster General, in consultation with the Foreign and Commonwealth Secretary and the Lord President of the Council, to bring further proposals on the handling of any request from the Federal Government and Parliament of Canada before the Cabinet as soon as the expected judgment of the Supreme Court of Canada was available.

REIGN
D
COMMUNITY
FAIRS

anon

vious
ference:
(81) 19th
clusions,
ute 3

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that there appeared to have been some easing of the confrontation between Syria and Israel over Syrian SAM 6 missiles in the Lebanon. The Prime Minister of Israel, Mr Begin, seemed to have overreached himself and might now be seeking a more moderate posture. The United States Government were not being informative about their efforts at mediation, which were still continuing.

ance

vious
ference:
(81) 19th
clusions,
ute 3

THE FOREIGN AND COMMONWEALTH SECRETARY said that Monsieur Francois Mitterrand would assume office that day as President of the French Republic. Monsieur Pierre Mauroy would become Prime Minister and Monsieur Claude Cheysson would probably be appointed Foreign Minister. It was not known who would replace Monsieur Cheysson as one of the French Commissioners. Mr Ivor Richard would like to secure the Development portfolio but recognised that, if the French wished to retain it, he would probably not be successful. His present responsibilities for Social Affairs were of some importance to the United Kingdom, and it would not be worth while for the British Government to have a row with the new French Administration on this issue, though they might wish to reiterate their view that the French should expect to give up this portfolio on the next occasion. In the meantime the proportion of business under the European Development Fund which came to British contractors was increasing.

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD reported that, apparently on instructions from Monsieur Mitterrand, the two French Commissioners had absented themselves from a recent meeting of the Commission, thus preventing proposals to modify the restrictions on exports of British lamb. This was causing serious disturbance to our market and threatening the closure of abbatoirs. Moreover, French poultry dealers were engaged in a campaign to step up exports of turkeys and other poultry to the British market. Turkeys for the Christmas market were being offered at heavily subsidised prices, below the cost of production, and threatened to absorb a substantial proportion of the British market. He had drawn the problem to the attention of the Commission and was considering what further action could be taken.

United Kingdom
Presidency

THE FOREIGN AND COMMONWEALTH SECRETARY said that he had recently met the members of the Commission to discuss the forthcoming United Kingdom Presidency of the Communities. If the French legislative elections were completed on 21 June, it seemed unlikely that there would be any postponement of the European Council scheduled for 29-30 June, but it was unlikely that the new President would be ready to say much about his attitude towards budget restructuring, on which a report from the Commission was due. It would be necessary to push hard for progress during the latter part of the British Presidency.

Japan
Previous
Reference:
CC(81) 7th
Conclusions,
Minute 3

THE SECRETARY OF STATE FOR TRADE said that the Association of European Car Manufacturers had expressed serious concern about the strong Japanese challenge in the European car market. The Council of Ministers on 19 May had adopted a resolution calling on Japan not to increase the level of car exports to the European Community over the level of last year and to avoid deflection of trade resulting from the recent United States/Japan agreement on car imports. Effective control in practice lay with the different arrangements in each member state. The latest statistics suggested that the level of Japanese car exports to the United Kingdom was coming into line with the limits agreed between the two industries. Recent criticisms by Sir Michael Edwardes of Japanese car exports probably represented in part an attempt to divert attention from the internal difficulties of British Leyland.

The Cabinet -

Took note.

NORTHERN
IRELAND
AFFAIRS

Previous
reference:
(81) 19th
conclusions,
page 2

3. THE SECRETARY OF STATE FOR NORTHERN IRELAND said that a third hunger striker, McCreesh, had died in the small hours of the morning. Though there had been a number of incidents, including an attack on a police station, the level of violence was lower than after the two earlier deaths. A fourth hunger striker, O'Hara, was likely to die at the weekend. The next one would not be in mortal danger for some weeks thereafter, unless he chose to refuse water as well as food. The security forces remained able to cope with the disturbances and had done well to confine them to Catholic areas. The Provisional Irish Republican Army (PIRA) had been prevented from provoking widespread violence between the two communities and might well now revert to concentrating on attempts to kill members of the security forces (eg the recent blowing up of five soldiers near Newry). Meanwhile strong efforts were being made to reverse the advances which the PIRA had recently achieved in publicity terms, particularly abroad, and there were some signs that these efforts were succeeding. It was essential to make the PIRA realise that they were wrong to expect the pressure of international opinion to force the Government to give way to their demands.

In the course of a brief discussion it was noted that in some sections of British public opinion support was increasing for a policy of withdrawing all British troops. The Government's publicity efforts would need to combat this vigorously. British opinion was also increasingly critical of the ceremonial shots which the PIRA were able to fire over the grave at the funerals of those who had died on hunger strike. The large number of mourners present on these occasions meant that those who fired the shots could not be arrested without provoking a riot and thereby playing into the PIRA's hands, but more publicity could perhaps be given to the fact that they were in some cases arrested later and successfully prosecuted. It was further noted that there were some initial indications of the Scottish Republican Army being now disposed to emulate and perhaps co-operate with the PIRA's campaign of violence.

The Cabinet -

Took note.

CIVIL
SERVICE
PAY

4. THE LORD PRESIDENT OF THE COUNCIL and certain other Ministers in charge of Departments reported orally on recent events and prospects for further developments in the dispute on pay in the non-industrial Civil Service.

previous
reference:
C(81) 19th
conclusions,
minute 4

The Cabinet -

Took note.

Cabinet Office

21 May 1981