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CC(81) 39th
Conclusions

COPY NO 79

CABINET

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

THURSDAY 3 DECEMBER 1981

at 10.15 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 Hailsahm
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 Education and Science

The Rt Hon Francis Pym MP
Lord President of the Council

The Rt Hon James Prior MP
Secretary of State for Northern Ireland

The Rt Hon John Nott MP
Secretary of State for Defence

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
Lord Privy Seal

The Rt Hon Patrick Jenkin MP
Secretary of State for Industry

The Rt Hon John Biffen MP
Secretary of State for Trade

The Rt Hon David Howell MP
Secretary of State for Transport

The Rt Hon Norman Fowler MP
Secretary of State for Social Services

The Rt Hon Leon Brittan QC MP
Chief Secretary, Treasury

The Rt Hon Baroness Young
Chancellor of the Duchy of Lancaster

The Rt Hon Nigel Lawson MP
Secretary of State for Energy

The Rt Hon Norman Tebbit MP
Secretary of State for Employment

The Rt Hon Cecil Parkinson MP
Paymaster General

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ALSO PRESENT

The Rt Hon Michael Jopling MP
Parliamentary Secretary, Treasury

SECRETARIAT

Sir Robert Armstrong
Mr M D M Franklin (Items 2 - 4)
Mr R L Wade-Gery (Items 2 - 4)
Mr D H J Hilary (Item 1)
Mr L J Harris (Item 1)

C O N T E N T S

Item	Subject	Page
1.	PARLIAMENTARY AFFAIRS	1
	Heavy Lorries	1
	Canadian Constitution	1
	Special Standing Committees	2
2.	FOREIGN AFFAIRS	
	Spain	3
	Arab/Israel	3
	Angola	3
	The Seychelles	3
	Sporting Links with South Africa	4
3.	COMMUNITY AFFAIRS	
	26-27 November European Council	4
	Special Meeting of Foreign Affairs Ministers on 30 May 1980 Mandate	5
	10 December Informal Meeting of Industry Ministers	5
4.	NORTHERN IRELAND	6

PARLIAMENTARY
AFFAIRS

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

Heavy Lorries

THE PRIME MINISTER, summing up a brief discussion, said that the Cabinet agreed that the Government should put down a neutral amendment to the Opposition motion on heavy lorries for debate on Wednesday 9 December, suggesting that it would be more appropriate for the House to consider the proposed increase in the weight limit to 40 tonnes when reactions to the White Paper had been studied and consultations on the draft amending regulations recently issued by the Secretary of State for Transport had been completed. Although the Officers of the 1922 Committee considered that opposition among the Government's own supporters to this proposal might increase if there was any undue delay in bringing forward an Order, the Cabinet noted the advice of the Chief Whip that any attempt to force a decision in the immediate future was unlikely to be successful. It would be helpful if the Confederation of British Industry and the National Farmers' Union, both of whom were understood to be in favour of an increase in the weight limits, could be persuaded publicly to support the Government's proposal.

The Cabinet -

1. Invited the Secretary of State for Transport to arrange for the tabling of a Government amendment to the Opposition motion on heavy lorries, and to seek the public support of the Confederation of British Industry and the National Farmers' Union for the Government's proposals.

Canadian
Constitution

Previous
reference:
C(81) 35th
conclusions,
Minute 2

THE LORD PRIVY SEAL said that the Canadian House of Commons had the previous day approved by 246 votes to 24 the Joint Resolution for an Address to The Queen requesting legislation in the United Kingdom Parliament to patriate the Canadian Constitution. The Senate was expected to approve the Resolution later that week and, if all went according to plan, the Governor General's Private Secretary would deliver the Address to The Queen's Private Secretary on Monday 7 December. He had circulated a draft reply to the two reports of the Select Committee on Foreign Affairs on the Canadian Constitution to members of the Defence and Oversea Policy Committee and, subject to their approval, intended to publish it towards the end of the following week. He hoped that it would be possible for the Canada Bill to be introduced at Westminster before Christmas. The official Opposition were adopting a relaxed attitude towards the Bill, although some backbench members on both sides of the House were expected to raise some objections of principle. Quebec, the only one of the ten Provinces not to support the Federal Government's proposals, intended to seek a declaration from the

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Supreme Court of Canada that they had a right of veto, while a group of Alberta Indians were seeking leave to commence proceedings in the High Court in London for an injunction requiring the British Government to honour what was claimed to be their residual duty to protect the rights of the aboriginal people of Canada.

THE LORD PRESIDENT OF THE COUNCIL said that there would be no difficulty about introducing the Bill before Christmas. The remaining stages of the Bill would be given priority. He hoped that Second Reading could take place in the week beginning either 18 or 25 January, though no commitment to any particular timetable should be given to the Canadians at this stage. He considered that the Government's tactics should be to treat the Bill in the normal way, and to give both Houses adequate time for consideration; it might be desirable from this point of view to allow two days for Second Reading in the House of Commons. It should be made clear to the Canadians that the Government could not commit themselves to a particular date for Royal Assent, and that any public statements suggesting that a given deadline, such as the date for The Queen's proposed visit to Canada, had to be met would be counter-productive.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that the proposed legislation on the Canadian Constitution should be handled in the way recommended by the Lord President of the Council. They noted that the early day motion in the name of Sir Bernard Braine against the Federal Government's proposals was attracting some support, and that there was still a danger that the Labour Party might be tempted to use the Bill to obstruct other Government business.

The Cabinet -

2. Took note.

Special
Standing
Committees

THE LORD PRESIDENT OF THE COUNCIL said that Mr Christopher Price, MP, had put down a Question for written answer on Friday 4 December asking whether he intended to make provision for the continuation of the Special Standing Committee procedure in the current Session. The subject was also likely to be raised during Questions on the business statement that afternoon. He intended to say that it was not his present intention to reintroduce the Standing Order relating to Special Standing Committees, mainly because none of the Bills in the Government's legislative programme was really suitable for this procedure, but that he would be ready to consider doing so if appropriate Bills could be identified at any time in the future.

The Cabinet -

3. Endorsed the line on the future of Special Standing Committees proposed by the Lord President of the Council.

FOREIGN
AFFAIRS

Spain
Previous
reference:
EC(81) 29th
Conclusions,
Minute 2

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that the Ministerial Meeting of the North Atlantic Council the following week would be asked to approve Spain's accession to the North Atlantic Treaty Organisation. This would be very welcome to most members of the Alliance, including Britain, but it remained possible that difficulties might be made by the new Greek Government under Mr Papandreou, who was clearly not going to be an easy partner in this or other fields. Meanwhile the Spanish Government appeared to be making the necessary physical preparations for the reopening of their frontier with Gibraltar and might well wish to make an announcement on the subject before the Spanish Prime Minister's planned visit to Britain in January 1982. This was satisfactory, although the Gibraltarians themselves might in practice have mixed feelings when the frontier did reopen.

Arab/Israel

Previous
reference:
EC(81) 38th
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that the United States and Israeli Governments were on the point of issuing a joint statement about the basis for the establishment and composition of the proposed multinational force and observers in Sinai. Britain and the three other European Community members who had agreed to participate would so far as possible refrain from comment. In retrospect it was perhaps fortunate that the recent Arab Summit at Fez had collapsed, since it would otherwise have been likely to pass a resolution condemning those who participated in the Sinai force.

Angola

THE FOREIGN AND COMMONWEALTH SECRETARY said that the South African Government were believed to be responsible for the recent sabotaging of the Angolan oil refinery in Luanda, although credit for the attack had been claimed by the Angolan guerilla movement Unita. At a time when progress had been being made towards securing the withdrawal of Cuban forces from Angola it was foolish of the South Africans to have taken a step which was bound to renew the Angolan regime's sense of dependence on the support of the Soviet Union and its allies. The Angolan Government's suspicions would have been increased by the current visits to Washington of President Mobutu of Zaire, whom they regarded as an enemy, and the Unita leader Mr Savimbi, who was expected to be received by a senior official in the American State Department.

The Seychelles

Previous
reference:
EC(81) 38th
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that the unsuccessful coup d'etat recently attempted in the Seychelles had provoked strong international criticism of South Africa and to a lesser extent the United States. There was a danger, which British influence would seek to counter, that the Seychelles Government would now move towards even closer relations with the Soviet Union. One of the mercenaries captured in the Seychelles was a British

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national; consular access was being sought but had not yet been obtained. It was unlikely that the South African authorities had inspired the coup, which had actually been mounted from Swaziland, but they must have known about it. A difficult situation had since been caused by their action over the mercenaries who had escaped from the Seychelles to South Africa in a hijacked airliner and had surrendered to the South African police. All but five of these had been set at liberty, and even the five had been granted bail. The Bonn Declaration by the Heads of Government of the seven leading Western nations at their Economic Summit meeting in 1978 required the seven to take retaliatory action against any state which failed to extradite or prosecute hijackers. They would now have to consider jointly what attitude to adopt in the present case; Britain would not take the lead in these consultations and would seek to dissuade her partners from precipitate action.

Sporting Links
with South Africa

THE SECRETARY OF STATE FOR WALES said that the Welsh Rugby Union had met the previous day to decide whether to accept an invitation to tour South Africa. It had been made clear to them in advance that the Government hoped they would refuse. Their conclusion was not yet known.

Previous
Reference:
CC(81) 11th
Conclusions,
Minute 2

The Cabinet -

Took note.

COMMUNITY
AFFAIRS

26-27 November
European
Council

3. THE PRIME MINISTER said that the European Council on 26-27 November had not succeeded in reaching agreement on the issues covered by the Mandate of 30 May 1980. When that Mandate had been agreed it had seemed likely that, by now, the Community would be under pressure to agree to a fundamental restructuring of the budget because the Community's existing resources within the 1 per cent VAT ceiling would have been exhausted. Because of the rise in world agricultural prices, this had not happened, although the need for budget restructuring on grounds of equity remained. The changes in the Common Agricultural Policy (CAP) now being sought were likely to add substantially to the cost of agriculture to the Community Budget. The Greeks, Italians and French wanted increased support for Mediterranean products. This pressure would increase with the accession of Spain to the Community. At the same time, the French were seeking changes in the CAP which would favour small producers at the expense of efficient farming. These agricultural issues had been the subject of detailed discussion at the European Council but agreement had not been reached. She had insisted that parallel progress must be made on all three aspects of

Previous
Reference:
CC(81) 38th
Conclusions,
Minute 3

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the Mandate. It had been decided to ask the Foreign Ministers to meet again to consider the main outstanding issues. It seemed unlikely that any progress could be made on the budget issue until the Community was approaching a crisis and needed agreement on agricultural prices. It would be desirable to try to avoid horse trading on a package but this might not be possible. The budgetary arrangements for the United Kingdom for 1982 had still to be agreed. It would be most undesirable to have the dispute running into 1983. The European Council had also referred to Foreign Ministers for further study the proposals by the German and Italian Governments for a European Act which would set up further Councils of Ministers responsible for Justice and for cultural affairs; involve more discussion within the Community on security matters; and increase consultation with the European Parliament.

Special Meeting
of Foreign Affairs
Ministers on
30 May 1980
Mandate

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Government were committed to call a special meeting of the Foreign Ministers on the Mandate before the end of the British Presidency. He was discussing with the Prime Minister and other colleagues immediately involved how best to handle such a meeting. A crisis over the budget issue might be unavoidable, but it would inevitably lead to further damage to the public conception of the Community in Britain and everything possible should be done to prevent it.

In a brief discussion, it was noted that some member states were challenging the outcome of the 30 May 1980 arrangement which would in practice result in the United Kingdom's net contribution being substantially lower than had been foreseen at the time. This result was entirely the fault of the rest of the Community, who had insisted that there should not be an absolute limit on our net contribution. The outcome was nevertheless not helpful to the United Kingdom in getting a satisfactory arrangement for the future. Moreover, the circumstances which had produced this unexpected result were unlikely to continue.

10 December
Informal Meeting
of Industry
Ministers

THE SECRETARY OF STATE FOR INDUSTRY said that there would be an informal meeting of Community Ministers responsible for industrial matters on 10 December. His aim would be to ensure that the Commission rigorously implemented the agreement on limitation of state aids in the steel sector; but this would be difficult given the political situation in Belgium.

THE HOME SECRETARY reported that Ministers in the Community responsible for public security would be meeting on 8 December.

The Cabinet -

Took note.

NORTHERN
IRELAND

Previous
Reference:
CC(81) 38th
Conclusions,
Minute 4

4. THE SECRETARY OF STATE FOR NORTHERN IRELAND said that the situation in the Province was now a good deal calmer, after a very difficult period in November. The Chief Constable intended to respond firmly but with minimum publicity to the challenge posed by Dr Paisley's so-called "third force" of Protestant volunteers, who appeared to be less numerous than their frequent marches might suggest and were beginning to be regarded by the public as something of a joke. Meanwhile operations against the Provisional Irish Republican Army (PIRA) had been much assisted by recent acquisitions of intelligence. Arms caches had been uncovered both in Northern Ireland and in the Irish Republic, and arrests in a number of murder cases had been facilitated. The activities of the PIRA had been considerably diminished in consequence. These successes were not the result of the temporary increase in security force deployments to deal with the recent period of special tension; but public opinion in the Protestant community would not be easily convinced of that.

The Cabinet -

Took note.

Cabinet Office

3 December 1981