

SECRET

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

CC(83) 3rd
Conclusions

COPY NO

79

CABINET

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

THURSDAY 3 FEBRUARY 1983

at 10.30 am

P R E S E N T

The Rt Hon Margaret Thatcher MP
Prime MinisterThe Rt Hon William Whitelaw MP
Secretary of State for the Home DepartmentThe Rt Hon Lord Hailsham
Lord ChancellorThe Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the ExchequerThe Rt Hon Francis Pym MP
Secretary of State for Foreign and
Commonwealth AffairsThe Rt Hon Sir Keith Joseph MP
Secretary of State for Education and ScienceThe Rt Hon James Prior MP
Secretary of State for Northern IrelandThe Rt Hon Peter Walker MP
Minister of Agriculture, Fisheries and FoodThe Rt Hon Michael Heseltine MP
Secretary of State for DefenceThe Rt Hon George Younger MP
Secretary of State for ScotlandThe Rt Hon Nicholas Edwards MP
Secretary of State for WalesThe Rt Hon Patrick Jenkin MP
Secretary of State for IndustryThe Rt Hon John Biffen MP
Lord President of the CouncilThe Rt Hon David Howell MP
Secretary of State for TransportThe Rt Hon Norman Fowler MP
Secretary of State for Social ServicesThe Rt Hon Leon Brittan QC MP
Chief Secretary, TreasuryThe Rt Hon Baroness Young
Lord Privy SealThe Rt Hon Nigel Lawson MP
Secretary of State for EnergyThe Rt Hon Norman Tebbit MP
Secretary of State for EmploymentThe Rt Hon Cecil Parkinson MP
Chancellor of the Duchy of Lancaster and
Paymaster GeneralThe Rt Hon Lord Cockfield
Secretary of State for TradeThe Rt Hon Tom King MP
Secretary of State for the Environment**SECRET**

SECRET

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Ian Percival QC MP
Solicitor General (Item 3)

The Rt Hon Michael Jopling MP
Parliamentary Secretary, Treasury

SECRETARIAT

Sir Robert Armstrong
Mr P L Gregson (Items 4 and 5)
Mr D J S Hancock (Items 2 and 3)
Mr A D S Goodall (Items 2-4)
Mr D H J Hilary (Item 1)
Mr M S Buckley (Item 5)
Mr L J Harris (Item 1)

Item	C O N T E N T S	Page
1	PARLIAMENTARY AFFAIRS	
	Report of the Parliamentary Boundary Commission for England	1
	Report of the Parliamentary Boundary Commission for Scotland	1
2	FOREIGN AFFAIRS	
	Middle East	2
	Falkland Islands	2
	Nigeria	2
	Arms Control and Disarmament	2
3	COMMUNITY AFFAIRS	
	Ultra-heat-treated Milk Imports	3
	Community Budget: 1982 Refunds	3
4	INDUSTRIAL AFFAIRS	
	Water Industry Pay Negotiations	3
5	ECONOMIC STRATEGY	4

PARLIAMENTARY
AFFAIRS

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

Report of the
Parliamentary
Boundary
Commission
for England

Previous
Reference:
CC(83) 2nd
Conclusions,
Minute 1

THE HOME SECRETARY said that the Appeal Committee of the House of Lords were to hear on 11 February an application on behalf of the Leader of the Labour Party for leave to appeal against the refusal of the Court of Appeal to grant an injunction preventing the Parliamentary Boundary Commission for England from submitting its report. If leave to appeal were refused, he would lay the Commission's report, together with the draft implementing Order in Council, as soon as possible after it was received. There would then be no difficulty about having the Order made at the Privy Council arranged for 16 March. If leave to appeal were granted, he was advised that the House of Lords could take up to a month to deal with the substance of the case. There would then be no chance of making the Order on 16 March, and indeed the report might not be submitted to him until after Easter.

THE LORD CHANCELLOR said that, if leave to appeal were granted, it would be open to the Treasury Solicitor to apply in open court for an expedited hearing. To avoid further delay, it would also be possible for counsel to ask for the decision of the House of Lords to be announced in advance of the delivery of the detailed judgment.

Report of the
Parliamentary
Boundary
Commission
for Scotland

THE SECRETARY OF STATE FOR SCOTLAND said that the Parliamentary Boundary Commission for Scotland was expected to submit its report to him in the week beginning 14 February. The Stirling District Council were expected to challenge the Commission's recommendations in the Scottish Courts on the grounds that the proposal to transfer certain safe Labour wards to a safe Labour constituency would be damaging to the Labour Party. The Council would probably apply for an interim interdict to prevent the Commission from submitting its report. Those proceedings might take a week or two. The substantive hearing of the Council's case might not be completed for two to three months, but unless an interim interdict was granted, which was unlikely, there was no reason why the Government, Parliament and the Privy Council should not go ahead with action to implement the report in the meantime. Even if the decision at the substantive hearing was in the Council's favour, a decision of Parliament to approve the draft Order in Council could not be overturned.

The Cabinet -

Took note.

FOREIGN
AFFAIRS

Middle East

Previous
Reference:
CC(83) 2nd
Conclusions,
Minute 2

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that the Moroccan Foreign Minister, Monsieur Boucetta, had called the previous day on the Prime Minister to convey King Hassan's decision to postpone the proposed visit to London by the Arab League Delegation. Monsieur Boucetta had emphasised that the King regretted the postponement, which he had decided on for internal Moroccan reasons; that he hoped it could be reinstated soon; and that the Moroccan Government adhered to the view that Palestinian interests of the Palestine Liberation Organisation should be represented on the Delegation by a representative of the West Bank Arabs, not by a representative of the Palestine Liberation Organisation. Despite these professions of intent by the Moroccans, it was beginning to appear doubtful whether the visit would in the end take place.

Falkland
Islands

Previous
Reference:
CC(83) 2nd
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that it appeared that Argentine ham radio operators were transmitting from the South Orkneys and the South Shetlands. An approach was being made to the Argentine Government about this through diplomatic channels, and a firm warning was being conveyed against any unauthorised incursions into the territory of the Falkland Islands or their dependencies. The first of the warships being built by Blöhm and Voss of Hamburg for the Argentine Navy was now being handed over to the Argentines: it contained one of the two sets of Rolls-Royce engines which had been delivered to the German manufacturers before the Argentine invasion of the Falkland Islands. Blöhm and Voss had agreed to release Rolls-Royce from their contractual obligation to provide a British engineer to be present on board during the sea trials with the Argentine Navy.

Nigeria

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Nigerian Government's decision to expel illegal migrant workers from the country was causing serious concern. Deadlines had been fixed of 31 January for unskilled workers and 28 February for others. There were reports, as yet unconfirmed, that some 800,000 refugees had crossed the neighbouring country of Benin; and the influx of expelled Ghanaians into Ghana was likely to have a catastrophic impact on the Ghanaian economy. The United Kingdom was participating in the European Community's programme of emergency relief and was also helping through the Red Cross and other voluntary organisations. So far the British Government's concern about the situation had been expressed only privately to the Nigerian High Commission in London; but it might shortly be necessary to make a public statement.

Arms
Control and
Disarmament

Previous
Reference:
CC(83) 1st
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that he had publicly welcomed President Reagan's offer of a Summit meeting with the First Secretary of the Soviet Communist Party, Mr Andropov, to sign an agreement banning all intermediate nuclear forces (INF), which had been announced by Vice-President Bush in West Berlin. This was a somewhat clumsy attempt by the United States Administration to regain the propaganda initiative, and it was doubtful whether it had helped to reinforce the Alliance's negotiating position on INF in the eyes of European opinion. Vice-President Bush would be visiting London in the

following week, when there would be an opportunity to explain the Government's views to him on the handling of the INF negotiations and to discuss the state of British and European public opinion on this issue.

The Cabinet -

Took note.

COMMUNITY AFFAIRS

Ultra-heat-treated Milk Imports

3. THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that the European Court was expected to make known its decision about the United Kingdom's procedures for restricting milk imports the following Wednesday, 9 February. It was expected that the Court would decide that the United Kingdom's measures were excessive and therefore an impediment to trade. Their decision would have to be accepted, but some other regime would need to be substituted, and this would require primary legislation. The immediate problem was that the Government would need a power to control imports in the period between the Court's ruling and the enactment of new legislation. Two possibilities were under examination, both of which raised problems. He was considering urgently with the other Ministers concerned which of the possible courses of action presented the fewest risks.

Community Budget: 1982 Refunds

THE CHANCELLOR OF THE EXCHEQUER said that the European Parliament were to consider the 1983 Supplementary and Amending Budget at their Plenary Session beginning on 7 February.

The Cabinet -

Took note.

Previous Reference: CC(83) 2nd Conclusions, Minute 3

INDUSTRIAL AFFAIRS

Water Industry Pay Negotiations

4. THE SECRETARY OF STATE FOR THE ENVIRONMENT said that the Advisory Conciliation and Arbitration Service had held further discussions with the employers and union representatives in the water workers' dispute. The employers were sticking to the offer they had made on the basis of the mediator's recommendations, stressing their willingness to explore the possibility of productivity-based improvements. The union side had so far refused to respond or to exercise its right to go to arbitration. There was consequently a temporary standstill on the negotiating front. The impact of the strike on water supplies throughout the country appeared to be relatively stable. There had been no significant increase over the past week in the number of properties which were without water; some 6½ million people were being advised to boil their drinking water as a precautionary measure. The water authorities had been unexpectedly successful in keeping the system going, and with certain exceptions emergency cover was being

Previous Reference: CC(83) 2nd Conclusions, Minute 4

maintained. This was sharpening the frustration of the union side, who might therefore be contemplating more aggressive action. Meanwhile, in certain parts of the country management and supervisory staff were carrying out emergency work on a volunteer basis. There were some tentative indications of workers beginning to think of starting to return to normal work. He would be making a statement in the House of Commons that afternoon emphasising the fairness of the employers' offer and the fact that the water workers could obtain no more money by strike action but only through productivity agreements; and calling for an early return to work.

The Cabinet -

Took note.

ECONOMIC
STRATEGY

5. The Cabinet considered a memorandum by the Chancellor of the Exchequer (C(83) 5) on economic strategy.

THE CHANCELLOR OF THE EXCHEQUER introduced a discussion of the economic situation, as a background to the decisions which he would be taking for his Budget to be presented on 15 March, and every member of the Cabinet contributed to it.

THE PRIME MINISTER, summing up the discussion, said that there was general agreement on the assessment of the situation, on the outlook for the future and on the course to be followed.

The Cabinet -

Invited the Chancellor of the Exchequer to take account of the discussion in preparing his forthcoming Budget.

Cabinet Office

3 February 1983