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CC(83) 8th
Conclusions

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CABINET

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

THURSDAY 10 MARCH 1983

at 10.00 am

P R E S E N T

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 Francis Pym MP
Secretary of State for Foreign and
Commonwealth Affairs

The Rt Hon Sir Keith Joseph MP
Secretary of State for Education and Science

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

The Rt Hon Michael Heseltine MP
Secretary of State for Defence

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 Patrick Jenkin MP
Secretary of State for Industry

The Rt Hon John Biffen MP
Lord President of the Council

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
Lord Privy Seal

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
Chancellor of the Duchy of Lancaster and
Paymaster General

The Rt Hon Lord Cockfield
Secretary of State for Trade

The Rt Hon Tom King MP
Secretary of State for the Environment

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ALSO PRESENT

The Rt Hon Michael Jopling MP
Parliamentary Secretary, Treasury

SECRETARIAT

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

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PARLIAMENTARY
AFFAIRS

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

Cost of
Parliament

Previous
Reference:
CC(82) 53rd
Conclusions,
Minute 8

THE LORD PRIVY SEAL said that during the Cabinet's discussion on 16 December 1982 of Civil Service manpower after 1984 she had been invited to consider what might be done to draw the attention of Parliament and the public to the effect on Departmental costs, efficiency and staff numbers of the large and, it was thought, growing volume of Parliamentary Questions and letters from Members of Parliament. The evidence did not support the view that there had been a steady growth in Questions and correspondence. The annual number of Parliamentary Questions had in fact fallen since 1979, while the volume of correspondence reflected the issues of current concern to Members of Parliament and the public, and fluctuated considerably. In these circumstances, she did not think that it would be helpful for the Government to make a general statement about the burden of this work on the public service. There were a number of management measures which could be taken to contain or reduce the existing cost, which in 1980 had been calculated to be £1.2 million for answering Parliamentary Questions and £7 million for replying to letters from Members of Parliament. Officials were already required to obtain Ministerial authority before beginning work on draft replies to Parliamentary Questions likely to cost more than £200, and this guideline might be applied more strictly in future. Undue effort should not be put into responding to requests for information which was readily available elsewhere. Wherever possible, Members of Parliament should be encouraged to direct enquiries about individual constituency cases to local offices; experience showed that in most cases this resulted in a quicker and more satisfactory reply. Background briefing for appearances before Select Committees could be more selective; if a Minister was unable to give an immediate reply to a particular question, he could always promise to provide the information later. Finally, it was doubtful whether it was worth preparing long and detailed replies to correspondents who were clearly not going to be influenced by rational argument. It would be helpful if these points could be borne in mind by Ministers and officials dealing with work generated by Parliament, though the extent to which they were appropriate in particular Departments would naturally be a matter for the individual judgment of the Minister concerned.

In discussion, the following main points were made -

- a. Members of Parliament were increasingly taking up individual constituency cases with local offices, notably of the Inland Revenue and the Department of Health and Social Security, but there would frequently be cases where the Member of Parliament concerned would want to be able to show his constituent a letter signed by the responsible Minister.
- b. It would be unacceptable for individual courts, rather than the Lord Chancellor himself, to deal with letters from Members of Parliament which sought to influence the outcome of particular cases.

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c. The use of standard drafts had been facilitated by the introduction of word processors, and should lead to a significant increase in efficiency.

d. It was a waste of time for officials to submit covering notes to Ministers which merely repeated the information contained in the accompanying draft replies.

e. Very large savings had been made in the Department of Industry by the use of pro-formas for briefing Ministers for regional visits as an alternative to the preparation of lengthy narrative documents.

THE PRIME MINISTER, summing up the discussion, said that the length of time taken to deal with correspondence in some Departments was a matter of continuing concern. The way in which debates, appearances before Select Committees, Parliamentary Questions and correspondence were handled was of great importance to the satisfactory presentation of Government policy, and this had to be borne in mind when considering what economies might be possible. Subject to that, all Ministers in charge of Departments should, in their future management of work generated by Parliament, take account of the suggestions made by the Lord Privy Seal and in discussion.

The Cabinet -

1. Invited Ministers in charge of Departments to be guided by the Prime Minister's summing up of their discussion in considering ways of containing the cost of dealing with Parliamentary business and correspondence from Members of Parliament.

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that an incident had occurred at the Cenotaph in Whitehall the previous day when a wreath had been surreptitiously laid on behalf of various organisations supporting the women demonstrating at Greenham Common. It was clear from the inscription on the wreath that this was intended purely as a piece of propaganda in connection with the High Court case involving a number of the demonstrators. It was a longstanding convention that the national War Memorial should not be used for propaganda purposes of any kind. The police had been reluctant to take action because the laying of the wreath was not in their opinion offensive or liable to lead to a breach of the peace, but since the Cenotaph was Crown property he had felt justified in using staff of his own Department to remove the wreath.

The Cabinet -

2. Endorsed with approval the action taken by the Secretary of State for the Environment.

Cenotaph
Wreath

FOREIGN
AFFAIRS

Federal
Republic
of Germany

Previous
Reference:
CC(83) 7th
Conclusions,
Minute 2

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that Chancellor Kohl at the head of the Christian Democratic Union and Christian Social Union Parties had achieved a welcome victory in the West German general election. It was also satisfactory that Herr Genscher's Free Democrat Party would be represented in the new Bundestag and that its participation in the new Government would be needed to give Herr Kohl a Parliamentary majority. The new Government would not formally assume office until 31 March and its declaration of policy would be made on 25 April. It was likely but not yet certain that Herr Genscher would be reappointed Vice-Chancellor and Foreign Minister. It would be important to maintain pressure on the new German Government to achieve a settlement of the Community's budget problem before the expiry of the current German Presidency at the end of June.

Middle
East

Previous
Reference:
CC(83) 7th
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that King Hassan of Morocco was still maintaining that the proposed visit to London by an Arab League delegation under his leadership would take place on 18 March. But there were still doubts as to whether the membership had been approved by all the Arab Governments concerned. Her Majesty's Ambassador at Rabat had been instructed to obtain a definitive delegation list from the Moroccan Foreign Minister, so that a last minute disruption of the arrangements might be averted. Although the proposed visit had lost its original relevance to the Arab/Israel dispute, it was important that it should take place for the sake of relations between the United Kingdom and the Arab countries. These were entering a delicate phase in consequence of recent developments in the oil market. Meanwhile no further progress had been made in the negotiations for the withdrawal of foreign troops from the Lebanon, and there was no news about the meeting between King Hussein of Jordan and Mr Arafat of the Palestine Liberation Organisation which was due to take place in the margins of the non-aligned meeting in New Delhi. He had stressed to the United States Secretary of State, Mr Shultz, the importance of a well judged reaction by the United States Administration to the outcome of King Hussein's meeting with Mr Arafat, since it would provide what would probably be the last chance for the United States to exercise effective pressure on Israel to get the peace process started.

Falkland
Islands

Previous
Reference:
CC(83) 5th
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that an Argentine group called the "Centre for Volunteers for the Fatherland" had applied to the International Committee of the Red Cross (ICRC) to arrange a visit to the Falkland Islands by a group of next of kin of Argentine servicemen buried there. Despite the clear implication that this was a politically motivated request, the ICRC were treating it as genuinely humanitarian and had expressed readiness to act as an intermediary. The British Interests Section in Buenos Aires had been asked for more information about the Argentine group and its leader; and the Minister of State, Foreign and Commonwealth Office, Mr Hurd, would be exploring the position further with the ICRC in Geneva that day. The Civil Commissioner of the Falkland Islands, Sir Rex Hunt, had reported that the islanders would be totally opposed to the Argentine group's visit even

if Argentina were now to declare a formal cessation of hostilities. But the group's request had a direct bearing on the proposed visit to the islands by a group of British next of kin, which was dependent on administrative support from Uruguay. There was reason to believe that Argentina would seek to exploit a British refusal to allow a visit by the Argentine group in order to seek to dissuade the Uruguayan authorities from allowing the British group's visit to go forward as planned. He would circulate further information on this difficult problem to his colleagues as it became available. Meanwhile it could be publicly stated in answer to questions that no request had yet been received from the ICRC and that if such a request were received the Government would wish to consult the Falkland Islanders before making a response. The Foreign and Commonwealth Secretary said that there was considerable Parliamentary interest in the question of arms sales to Argentina. He had made strong representations on this subject to the United States Administration and an American decision on whether to resume arms sales to Argentina was now unlikely to be taken for some weeks.

Zimbabwe

Previous
Reference:
CC(83) 6th
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that the situation in Zimbabwe continued to give cause for serious anxiety. The Prime Minister of Zimbabwe, Mr Mugabe, was pressing ahead with his policy of tough action against Mr Nkomo's Zimbabwe African People's Union Party and its Ndebele supporters. There was further evidence of atrocities by the 5th Brigade of the Zimbabwean Army, but there were some indications that the level of violence was dropping. The white population of Matabeleland was still being treated correctly and felt reasonably safe. It looked as if the Zimbabwean Government's intention had been to bring Mr Nkomo to trial, but he had now escaped to Botswana where he had sought an interview with the British High Commissioner. This had been refused on instructions.

THE PRIME MINISTER, summing up a short discussion, said that, if Mr Nkomo sought to come to the United Kingdom, it was to be hoped that some way could be found of refusing to admit him.

The Cabinet -

1. Took note.

Hong Kong

The Cabinet was briefed on the state of negotiations with the Chinese Government on the future of Hong Kong.

The Cabinet -

2. Approved the action proposed by the Prime Minister.

Law and Order

THE PRIME MINISTER said that the verdict and sentences rightly passed on the two Arab terrorists brought to trial in London for the attempted assassination of the Israeli Ambassador, Mr Argov, were likely to lead to attempts by elements of the Palestine Liberation Organisation to procure the release of the prisoners by criminal means - possibly by taking a prominent figure in British public life hostage. The Jewish community were seriously concerned on this score. It was essential that the police should exercise maximum vigilance. In this connection, public attention should be drawn to the burden which the activities of the protestors at the Greenham Common cruise missile site were putting on police resources, and the extent to which this was diverting police forces from their essential task of crime prevention.

THE HOME SECRETARY drew attention to the rapid rise in the prison population, which was approaching record levels. The pressures this created for the Prison Service carried unavoidable risks for prison security. The imprisonment of women protestors from Greenham Common would pose a particularly acute problem in view of the relative shortage of women prison officers.

The Cabinet -

3. Took note.

COMMUNITY AFFAIRS

New Zealand Butter and Exports to the Soviet Union

Previous Reference: CC(83) 1st Conclusions, Minute 3

3. THE FOREIGN AND COMMONWEALTH SECRETARY said that the Commission had announced that it would again make export refunds available on sales of butter to the Soviet Union. While the United Kingdom would continue to oppose this move, in the last resort we should not be able to prevent it.

Trade with Spain

Previous Reference: CC(83) 6th Conclusions, Minute 3

THE SECRETARY OF STATE FOR TRADE said that it had finally been possible to conclude the negotiations with Spain on improved access to the Spanish market for British cars. Since the United Kingdom had no actual locus in the matter, the formal negotiations with Spain nominally being conducted by the Commission, the agreement would have to be presented to the Community as a unilateral gesture by the Spanish Government. This would be done before the Council of Ministers (Foreign Affairs) met on 14-15 March. In the meantime Spain had asked that there should be no publicity for the agreement. The further negotiations had

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achieved improvements: the duty quota for mid-range cars had been increased from 4,000 to 5,000 cars and the tariff further reduced from 20 per cent to 19 per cent against the present rate of nearly 37 per cent; the duty quota for upper range cars remained at 10,000 cars at a reduced tariff of 25 per cent. The Spaniards had undertaken to continue these quotas from one year to the next unless there were a marked deterioration in economic circumstances. The duty quotas would be open to all Community manufacturers. They had however been deliberately angled in the United Kingdom's direction, and the size definitions in particular were aligned to favour British Leyland, although in practice British Leyland's ability to sell more cars in Spain was very limited; even in the upper range, where their prospects were better, they expected to sell only 1,000 cars out of the 10,000 quota. Spain had agreed to make the same customs valuation adjustment for British Leyland imports as they made for other vehicle importers, and to accelerate the introduction of Value Added Tax, which would deal with the problems for British companies represented by the present home compensation tax. There had also been a concession on whisky. In return the United Kingdom had had to make insignificant concessions recording our intention not to raise new points under the 1970 Trade Agreement between the European Community and Spain, and to use our good offices to minimise interference with the supply of Spanish cars to the British market, and British Leyland's intention to open talks on industrial collaboration with their Spanish associate Santana. This was the first time that the United Kingdom had been able to persuade the Spaniards to make a concession on trade, and in order to achieve this it had been necessary to persuade the Commission not to abandon their own negotiations. He had had talks both with Ford and General Motors, and he believed that the United Kingdom industry, although its public attitude would be unenthusiastic, would in fact regard the deal as acceptable. It would be possible for the Government to point to the fact that Ford were putting on an extra shift here and substantially switching their sourcing from Spain to Germany. Use could also be made of the impressive increase in exports of car components from £15 million some years ago to £55 million last year.

THE PRIME MINISTER, summing up the discussion, said the Cabinet noted that there had already been some Press comment about the package. It was agreed that, until Spain had informed the Commission, the public line should be that negotiations between the Community and Spain were continuing and that the United Kingdom hoped for a successful outcome. It was recognised that the automobile industry in the West Midlands would not regard the settlement as a major achievement, and that careful attention would therefore need to be given to its public presentation. It could however be presented as the first sizeable step against a very difficult background and as a transitional move pending the more favourable conditions which would prevail after Spanish accession to the Community. Use could be made of the substantial increase in exports of components and of the fact that other Anglo-Spanish trade was in balance. Caution should be exercised in referring to British Leyland's inability to sell substantially more cars to Spain, since after many years' virtual exclusion from the market they inevitably lacked an adequate distributor network; this made it all the more important that the quotas should be continued for at least three years.

The Cabinet -

Took note.

INDUSTRIAL
AFFAIRS

National Coal
Board:
Industrial
Action

Previous
Reference:
CC(83) 7th
Conclusions,
Minute 4

4. THE SECRETARY OF STATE FOR ENERGY said that the result of the miners' ballot which would be announced later that morning was likely to show a substantial majority against a national strike of the same order as in the previous autumn's ballot. This meant that the likelihood of strike action in the industry before the next annual pay negotiations in October was small, and should make it easier to deal with the problems of the industry in the coming months. An early return to work in South Wales, where a strike was already in progress, might be delayed by a power struggle among the local union leaders. The Government's public stance should be that the ballot result was the best outcome for the future of the coal industry.

Pay
Negotiations
in the
Electricity
Supply
and Gas
Industries

Previous
Reference:
CC(83) 7th
Conclusions,
Minute 4

THE SECRETARY OF STATE FOR ENERGY said that the Electricity Council had reached a settlement with the electricity manual workers and craftsmen on 3 March which would increase average earnings by 5.7 per cent. The British Gas Corporation would be meeting the unions to discuss the pay claim of the gas manual workers on 18 March, and it was hoped that a settlement would be reached at a level below that in the electricity industry.

Water
Industry
Dispute

Previous
Reference:
CC(83) 7th
Conclusions,
Minute 4

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that there were no remaining effects of the water industry dispute except in the North West where some 50 households were still required to boil water and in Wales where there was a particular problem at Blaenau Gwent. Although it had been claimed that workers had made good their loss of earnings during the strike by increased overtime since then, this was probably no more than a union reaction to the Press reports that contractors had been used extensively to deal with the backlog of repairs, for example in East Anglia. It would in fact be a long time before the loss of earnings was made up, especially bearing in mind the level of the offer which had been available at an early stage on the basis of the mediator's report.

THE SECRETARY OF STATE FOR TRADE reported further progress on sales to the private sector of Government-owned assets.

The Cabinet -

Took note.

Cabinet Office

10 March 1983