

SECRET

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CC(83) 14th
Conclusions

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CABINET

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

THURSDAY 28 APRIL 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 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 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

ALSO PRESENT

The Rt Hon Michael Jopling MP
Parliamentary Secretary, Treasury**SECRET**

SECRET

SECRETARIAT

Sir Robert Armstrong
Mr A D S Goodall (Items 2-4)
Mr D F Williamson (Items 2-5)
Mr D H J Hilary (Item 1)
Miss J A Lewis-Jones (Item 1)

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

THE LORD PRIVY SEAL said that the Government had been defeated in the Committee Stage of the Housing and Building Control Bill in the House of Lords on 26 April, when a motion to delete Clause 2 had been carried by 182 votes to 96. The clause would have amended the Housing Act 1980 so as to confer the right to buy on certain secure tenants of charitable housing associations and housing trusts. It would have applied only to dwellings which had been provided wholly or overwhelmingly with public funds, and about three-quarters of the existing stock of charitable housing associations would have been exempt from its provisions. But many Conservative Peers were personally involved in charitable housing associations, and their votes had been largely responsible for the Government's defeat. The element of retrospection in the clause had weighed heavily with them. She was satisfied that nothing more could have been said or done to avert defeat. She had contacted all the newly created Conservative Peers and many others, and an unusually large number of the Government's supporters had attended the debate. The Secretary of State for the Environment and the Minister for Housing and Construction had explained the effect of the clause to a number of the Government's supporters. The Minister for Local Government had made a persuasive speech at the end of the debate, which had changed the views of about ten Conservative Peers who had intended to vote against the Government. Nevertheless, 36 Conservative Peers and 41 cross-bench Peers had voted against the clause; only two cross-bench Peers had supported the Government. A number of Conservative Peers had been unable to attend because of other commitments, but their presence would not have enabled the Government to avoid the defeat, which clearly illustrated the difficulties of ensuring a Government majority in the House of Lords. It was hoped to complete the Committee Stage of the Bill that day. It was intended to complete the remaining stages of the Energy Bill in the House of Lords on 9 May and the Third Reading of the Social Security and Housing Benefits Bill on 13 May. The Third Reading of the Housing and Building Control Bill could then take place on 19 May.

THE PRIME MINISTER, summing up a short discussion, said that there was no prospect of reversing the defeat on Clause 2 of the Bill in the current Session. It would be a disappointment to the tenants concerned, and it would be helpful if they themselves mounted a campaign in favour of the provisions in the clause. The decision not to seek to reinstate the clause could be announced that afternoon, but it should be made clear that this decision was without prejudice to the inclusion of equivalent provisions in a future Bill.

The Cabinet -

Took note.

FOREIGN
AFFAIRS

Middle East

Previous
Reference:
CC(83) 13th
Conclusions,
Minute 2

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that the United States Secretary of State, Mr Shultz, was heavily engaged in the Middle East. He was at present in Israel and would be going on to Beirut. With the British Government's encouragement, he was concentrating in his discussions on trying to secure agreement to a mutual withdrawal of foreign forces from the Lebanon.

United States

Previous
Reference:
CC(83) 13th
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY drew attention to President Reagan's address to Congress the previous day on the United States Administration's policies towards Central America. This was an important statement which had been prompted by the arms build-up in Central America and President Reagan's determination to stem the growth of Communist influence in the area. It was likely to have been well received by the American public; but first indications suggested that it had not convinced the opponents of the Administration's policies in Congress.

The Cabinet -

1. Took note.

Falkland
Islands

Previous
Reference:
CC(83) 13th
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Government's efforts were being directed to deterring Senor Destefanis and his party of Argentine next-of-kin from sailing for the Falkland Islands, following the statement by the International Committee of the Red Cross (ICRC) dissociating themselves from the venture. An approach had been made to the Argentine authorities through the Swiss and parallel approaches had been made to the United States, Brazilian and other Governments to persuade the Argentine Government to prevent Senor Destefanis from sailing. The Permanent Under Secretary of State, Foreign and Commonwealth Office, Sir Antony Acland, was seeing the Secretary General of the United Nations, Senor Perez de Cuellar, at Heathrow Airport that morning and would ask him to use his influence with the Argentine authorities in the same sense. Meanwhile the Foreign and Commonwealth Office was issuing a public statement designed to make the British Government's position clear: this would emphasise that the Destefanis venture, which had been disavowed by the ICRC as contrary to the principle of neutrality, was not acceptable; but that the Government would put no obstacle in the way of a genuinely humanitarian visit organised and supervised by the ICRC. If Senor Destefanis's party set sail, their ship would be intercepted as it entered the Falkland Islands Protection Zone with a view to getting it to turn back; but no force would be used. Further consideration would be given to the action needed to prevent a landing if the ship continued on course for the Falkland Islands. Meanwhile units of the Argentine fleet were at sea in connection with the anniversary of the sinking of the Argentine cruiser General Belgrano, which fell on 2 May, the date on which Senor Destefanis's ship was liable to be intercepted.

THE PRIME MINISTER, summing up a short discussion, said that it would be important to get across to public opinion both at home and abroad the fact that the ICRC had dissociated itself from Senor Destefanis's venture, which appeared to be essentially propagandistic rather than humanitarian in character; and that this was why the visit was unacceptable to the British Government; and to make it clear that the British objections had never applied to a visit by bona fide Argentine next-of-kin organised and supervised by the ICRC. These points were being stressed in the statement by the Foreign and Commonwealth Office.

The Cabinet -

2. Took note.

Soviet Union

Previous Reference: CC(83) 13th Conclusions, Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that there had been a helpful press reaction to the visit to Moscow by the Parliamentary Under Secretary of State, Foreign and Commonwealth Office, Mr Malcolm Rifkind, who had been having talks with his Soviet counterparts. His visit marked the resumption of low-key political contacts between the Soviet Union and the United Kingdom. It was important that the United Kingdom should not be thought to be closing off the East/West dialogue in the period leading up to the Alliance's deployment of intermediate nuclear forces in December, or to be getting too far out of step with its other allies, whose contacts with the Soviet Union were more intensive. Mr Rifkind would be reporting the outcome of his talks on his return; meanwhile it was clear that they had been useful and had given him the opportunity to raise a large number of outstanding human rights cases with the Soviet authorities, including that of Professor Sakharov, whom the Soviet Government were now reported to be ready to allow to leave the country.

The Cabinet -

3. Took note.

COMMUNITY AFFAIRS

Federal Republic of Germany

3. THE PRIME MINISTER said that the visit to London the previous week by the Chancellor of the Federal Republic of Germany, Dr Helmut Kohl, and his senior colleagues had been outstandingly successful. The atmosphere in all the meetings had been genuinely friendly and Dr Kohl himself had performed more impressively than on previous occasions. It was evident that there was a wide measure of agreement between the two Governments which augured well for the Williamsburg Economic Summit. The visit had been good for Anglo-German relations and for Europe. It had however been necessary to remind the Germans of the undertaking to find a solution to the problem of the British 1983 budget contribution before their current Presidency of the Community expired at the end of June; it was clear that they were finding it difficult to live up to this undertaking.

THE SECRETARY OF STATE FOR INDUSTRY said that the recent visit to the United Kingdom by a group of high-level businessmen from the Federal Republic of Germany headed by Herr Rodenstock, the President of the Federation of German Industries, had also been a great success.

All the German representatives had been of unusually high calibre and, in a concluding press conference Herr Rodenstock had gone out of his way to be complimentary about the British economy and its prospects. It was hoped that his remarks would be widely reported in Germany. It would be important to ensure that members of any team of senior British businessmen which might visit the Federal Republic under similar arrangements were of the same quality.

Steel
Previous
Reference:
CC(83) 13th
Conclusions,
Minute 3

THE SECRETARY OF STATE FOR INDUSTRY reported that the meeting of the Council of Ministers on steel on 25 April had been somewhat acrimonious. It had been possible, however, to persuade the Council to call for further proposals from the Commission which would take account of restructuring. This should give more flexibility on the existing quotas, which would help small firms. There was no chance that other member states would give up quotas and, since an overall increase was not desirable, it was best to aim for greater flexibility. Domestic steel orders were rising but this was partly in anticipation of price increases which the British Steel Corporation was bound to make.

Community
Budget
Previous
Reference:
CC(83) 13th
Conclusions,
Minute 3

THE FOREIGN AND COMMONWEALTH SECRETARY said that he had spoken to the President of the European Commission, Monsieur Thorn, and to Vice-President Tugendhat about the need to leave sufficient room in the 1984 draft budget for the United Kingdom budget refunds. They intended to keep headroom available, although they wished to disguise the methods by which this was being done. There would now be further discussion of the budget problem at the informal meeting of Foreign Ministers at Gymnich on 14/15 May. He would press the United Kingdom's case, in preparation for the Council of Ministers' meeting on 24 May, but the reception from other member states so far was distinctly cool.

The Cabinet -

Took note.

CAMPAIGN FOR
NUCLEAR
DISARMAMENT

Disarmament
and Arms
Control
Previous
Reference:
CC(83) 6th
Conclusions,
Minute 2

4. THE SECRETARY OF STATE FOR DEFENCE said that the Campaign for Nuclear Disarmament (CND) had been successfully thrown on to the defensive by the action taken to identify the left wing affiliations of so many of its leading members; but many of the rank and file supporters of the movement were not left wing in their political orientation and it was important that their sensitivities should be respected. There was no truth in the current press reports that political approaches had been made to church leaders to persuade their members to leave the CND.

THE HOME SECRETARY said that the publication that day of the new Civil Defence Regulations would no doubt provoke strong criticism from the CND and others; but the regulations in their revised form were relatively uncontroversial and the criticism should be containable.

CONFIDENTIAL

The Cabinet -

Took note.

INDUSTRIAL
AFFAIRS

London Dock
Strike

Previous
Reference:
CC(83) 13th
Conclusions,
Minute 4

5. THE SECRETARY OF STATE FOR TRANSPORT said that the Advisory Conciliation and Arbitration Service was arranging mediation in the London dock strike.

The Cabinet -

Took note.

Cabinet Office

28 April 1983