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CABINET

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

THURSDAY 15 MARCH 1984

at 10.00 am

PRESENT

Ro Hon Margaret Thatcher MP Prime Minister

The Rt Hon Viscount Whitelaw Lord President of the Council

Secretary Howe QC MP Secretary of State for Foreign and Commonwealth Affairs

The Rt Hon Nigel Lawson MP Chancellor of the Exchequer

Secret Hon James Prior MP Secretary of State for Northern Ireland

Secretain Michael Heseltine MP Secretary of State for Defence

Secretary Nicholas Edwards MP Secretary of State for Wales

the Rt Hon John Biffen MP

The Rt Hon Norman Tebbit MP Secretary of State for Trade and Industry

The Rt Hon Tom King MP Secretary of State for Employment

Chief Con Peter Rees QC MP Chief Secretary, Treasury

The Rt Hon Lord Hailsham Lord Chancellor

The Rt Hon Leon Brittan QC MP Secretary of State for the Home Department

Welk Hon Sir Keith Jospeh MP exetery of State for Education and Science

The Kt Hom Peter Walker MP Secretary of State for Energy

The Rt Hon George Younger MP Secretary State for Scotland

The Rt Hon Patrick Jenkin MP Secretary of State for the Environment

The Rt Hon Norman (Rowker MP Secretary of State for Social Services

The Rt Hon Lord Cockfield Chancellor of the Duchy

The Rt Hon Michael Jopling MP Minister of Agriculture, Fisherie

The Rt Hon Nicholas Ridley MP Secretary of State for Transport

i

THE FOLLOWING WERE ALSO PRESENT

Item

2.

The Rt Men Yohn Wakeham MP

Mr John Gummer MP

Minister of State, Department of Employment

Sir Robert Armstrong		Sir	Robert	Armstrong
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Mr P L Gregson (Items 4 and 5) Mr A D S Goodall (Items 2 and 3)
Mr D F Williamson (Items 2 and 3)
Mr M S Buckley (Items 4 and 5)
Mr C J S Brearley (Items 4 and 5)
Mr R Watson (Items 1 and 5)

CONTENTS	
PARLIAMON	Page
PARLIAMENTARY AFFAIRS	1
Telecommunications (Ei)	1
FOREIGN AFFAIRS	
Libya	1
Iran/Iraq	2
Lebanon	2
Angola	3
COMMUNITY AFFAIRS	3
Community Budget and United Kingdom Refunds	3
Preparations for the European Council, Brussels 19-20 March	4
Agriculture	4
INDUSTRIAL AFFAIRS	
The Coal Industry	6
EDUCATION IN LONDON	8
ii	
	50/0
CONTRACTOR	
CONFIDENTIAL	101

1. THE PRIME MINISTER said that the Cabinet would wish to congratulate the Chancellor of the Exchequer on the presentation of his Budget, both in and outside the House of Commons. The Cabinet were informed of the business to be taken in the House of Commons during the following week.

Telecommunications Bill

AFFAIRS

Libya

The LORD PRESIDENT OF THE COUNCIL said that the Opposition in the House bill ords had succeeded in adding a new clause to the Telecommunications not acceptable, and he was making strenuous efforts to reverse it. In would be to do so, however, he would have to promise that the Government Cabinet had already agreed that such a Bill should have a place in the Bill.

The Cabinet -

Took note. (

Covernment had turned their imbassies abroad into "People's Bureaux", the Heads of which had subsectently been legitimised as Charges d'Affaires. The People's Bureau in London had recently been taken over by a revolutionary committee (as the legitimised as Charges d'Affaires. The People's Bureau in London had recently been taken over by a revolutionary committee (as the legitimised as Charges d'Affaires. The People's Bureau in London had recently been taken over by a revolutionary committee (as the legitimised as Charges d'Affaires. The People's Bureau in London and this had been followed by an outbreak of legitimised in Athens) and this had been followed by an outbreak of legitimised to in Libyan and there had been further incidents on 11 and March. Strong representations had been made to the Libyan authorities both in London and Tripoli to remind them that the use of British territory by foreign groups for acts of violence was totally unacceptable, that further terrorist incidents would have a serious effect on Anglo-Libyan relations, and that the Government expected the Libyan authorities to do evalvathing in their power to dissuade Libyan residents in Britain from committing criminal acts. Nine Libyans had subsequently been arrested. It was important to handle the matter in a way which showed firmness towards the Libyans without increasing the risk of Libyan reprisals against Hern Majesty's Embassy at Tripoli and the 8,000 British citizens resident in Libya. Although there had been no Libyan reprisals so far, a British cusiness visitor to Libya had been detained on 13 March. It had also be borne in mind that four foreign Embassies in Tripoli had been attacked and burned in the Course of the past year.

THE HOME SECRETARY said that he was acting in close consultation with the Foreign and Commonwealth Office. Of the nine Libyans arrested, four had been charged with serious offences and, if convicted would be imprisoned. Deportation orders had been issued against the other live, all of whom had waived their right to make representations against

deportation and would probably leave the country together. His public statement about the deportations had reiterated the points which the Foreign and Commonwealth Secretary had made to the Libyan authorities.

Previous Reference: CC(84) 10th Conclusions, Minute 2

FOREIGN AND COMMONWEALTH SECRETARY said that there had been no major comments in the Iran/Iraq war since events in the Gulf had been send by the Cabinet on 13 March. The major Iranian offensive was still awaited. A meeting of Foreign Ministers of the countries of the Arab teasue, which had concluded the previous day, had expressed renewed support for Iraq, and this might lead to pressure on Western countries to curtain trade with Iran. There had been some moderation of the unfounded Iranian accusations that the United Kingdom had supplied chemical reapons to Iraq: a group of United Nations experts was in Iran examining the evidence that chemical weapons had been used against Iranian forces, and three wounded Iranian soldiers had been sent to London for treatment. Although not quite conclusive, the available evidence tended to confirm that chemical weapons had in fact been used by Iraq. As agreed to the Cabinet on 13 March, the Minister of State, Foreign and Commonwealth Office (Mr Luce) would be visiting Washington early the following the for political discussions with the United States authorities about devicements in the Gulf.

THE SECRETARY OF STATE FOR DEFENCE said that, in accordance with the Cabinet's decision on 13 March, a Royal Navy Mine Counter Measures force, comprising four naval vessels and a support ship taken up from trade, had been placed at a higher state of readiness and two of the vessels were on their way to the Mediterranean.

Previous
Reference:
CC(84) 9th
Conclusions,
Minute 3

THE FOREIGN AND COMMONWEALTH SECRETARY said that the national reconciliation talks between the parties to the Lebanese dispute had resumed in Lausanne on 12 March. It was too early to assess progress, but any restructured Government which energed would be likely to be under heavy Syrian influence. The British contingent to the Multinational Force (MNF) would be withdrawn to the United Kingdom within the next week and formally disbanded. The Lebanese Government and the Governments of the other countries participating in the MNF had been notified, and efforts were being made to meet the American wish to co-ordinate the timing of any announcements about the MNF's disbandment. No new moves had been made at the United Nations, where the mandate of the United Nations International Force in Lebanor was due for renewal on 19 April.

THE FOREIGN AND COMMONWEALTH SECRETARY said that latest reports indicated that the 17 Britons taken hostage by the Union for the Total Independence of Angola (UNITA) were on a 1,000 kilometre march into south eastern Angola. Representations for their release had been made to UNITA by the International Committee of the Red Cross. For the moment thought the right course for the Government was to continue to convey the leader of UNITA, Dr Savimbi, through intermediaries, the harm which their action was doing to any sympathy for their cause in the Kingdom. Meanwhile, Her Majesty's Ambassador in Angola had impressed on the Angolan Government the need to make more effective arrangements for the protection of British nationals working in the

The gabinet -

Took Note.

CC(84) 9th

Conclusions

Minute 3

COMMINITY AFFAIRS

Community sudget and mited Mobalia Refunds

Previous eference: ^{CC}(84) 9th Conclusions, linute 4

3. THE CHANCELLOR OF THE EXCHEQUER said that the European Commission had asked all member states for an advance payment of own resources by the end of March. They member states seemed likely to agree, but this came at a very awkward time in the discussions about the United Kingdom's budget refunds. It was important for the United Kingdom not to become further isolated by refusing to take the steps necessary to provide an advance. Steps should therefore be taken which would enable the United Kingdom to comply, subject to a satisfactory resolution of the budget refund problem. Compliance with the Commission's deadline would require a Supplementary Estimate to be this on 16 March. This would then be considered by the Treasury and Civil Service Select Committee, but it would be made clear to them that no debate would be held until 28 or 29 March. The European Council was to discuss the United Kingdom's 28 or 29 March. The European Council was to discuss the United Kingdom's contribution to the budget on 19 and 20 March and the European Parliament was to discuss the United Kingdom's very contribution to the budget on 19 and 20 March and the European Parliament If the outcome of these discussions was partisfactory, there would be sufficient time to hold the debate and page a special Consolidated Fund Bill on 20 march. Bill on 29 or 30 March.

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Council of Foreign Ministers on 12 and 13 March had taken the technical steps necessary to adopt the Regulations required for the 1983 refund, but had been prevented from adopting the Regulations themselves by French and Italian reserves. If the European Council reached political agreement, a special Foreign Foreign Affairs Council could adopt the Regulations inflediately thereafter. A proposal from the Commission to transfer the necessary funds from Chapter 100 of the budget would then be required. This would need to be approved by the European Parliament and the Council; this was feasible in the time available.

THE PRIME MINISTER said that so far our actions had been correct and they should remain so until the conclusion of the European Council discussions.

The French appeared to be using their reserve on the adoption of the 1983 Budget Refund Regulation as a bargaining counter in the wider discussions about future funding of the Community, despite President Mitterrand's assertion that he did not wish that to be seen as Anglo-French issue.

Preparations
for the
turopean
Council,
Brussels
19-20 March

The Foreign AND COMMONWEALTH SECRETARY reported that in the Council of Ministers (Foreign Affairs) on 12-13 March the discussion on budget discipline had shown that the French position was less robust than in the earlier proposals put forward by their Minister of Finance, Monsieur Oblors. It was still possible, however, that the United Kingdom could get a satisfactory result on the strict financial guideline for agricultural spending. On the correction of the budget imbalance progress had certainly been made on a mechanism which would be fair and lasting. The argument was now being concentrated on the figures. Other member states were suggesting that the United Kingdom's relief under the system should be about 50 million ecu. This would leave an unadjusted United Kingdom net contribution (1982 figures) of about 1250 million ecu. Such a result would not be acceptable to Parliament. In the discussion on energy items, which had been linked with the United Kingdom's 1983 refund Regulations, it had been possible to keep the energy package satisfactorily together.

THE PRIME MINISTER said the she had the impression that progress had been made on constructing a reformed financing system which would give a fairer sharing of the budget borden, but that a wide gulf remained on the amount of the relief needed to satisfy the United Kingdom. On the basis of the figures now being kut forward by other member states, the United Kingdom would not be able to agree to any increase in the Value Added Tax ceiling.

Agriculture
Previous
Reference:
CC(84) 9th
Conclusions,

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD reported that at the Council of Ministers (Agriculture) on 11-12 March some progrees had been made on milk and on monetary compensatory amounts. Because there were reserves, these issues would be submitted to the European Council on 19-20 March. On milk the Council of Ministers and agreed that there would be a quota/superlevy system above 98.2 million tonnes of milk this year and above 97.2 million tonnes from next year. This was a tough measure which would reduce Community milk production. The figure, however, was still well above the level of the Community's own demand for milk. Member states would have a choice of applying the system at farm or dairy level. Milk in excess of the base quantity would pay a levy of per cent of the target price of milk if applied at the farm or a levy of 100 per cent if applied at the dairy. He had opened discussions in the United Kingdom. Because the system would not be applied fully would be provided by a 1 per cent increase in the basic co-responsibility

levy. In the negotiations in Brussels he had been able to resist the various demands for exemptions or exclusions from the superlevy. There would be no national exemptions, no levy on intensive production and no special provision for small farmers within the quota/superlevy scheme. There would be a quantity of 0.6 million tonnes of milk available for special circumstances, although the United Kingdom had resintained for the present a reserve on this proposal. The Irish still had a reserve on the scheme and would no doubt be seeking special that the European Council on 19-20 March. In addition, he had ensired in accordance with the agreed policy, that, although there would be a reduction in the butter subsidy, the price of butter in the United Kingdom would not rise as a consequence of the package to be agreed in Brussels.

The agreement on the quota/superlevy scheme would give rise to difficulties with farming and Parliamentary opinion. The National Farmers' Union for England and Wales was proposing that there should be a three year transition, that there should be guarantees on the equitable application of the system in the Community, and that the 1 per cent increase in the waste co-responsibility levy should be dropped. He would be providing material for his colleagues in order to counter this criticism. On monetary compensatory amounts, he had ensured that there would be no reduction in whited Kingdom farm prices as a result of the changes in the agri-monetary arrangements. This was the issue to which the Farmers' Unions in the United Kingdom had attached the greatest importance. There was a strong move within the Community towards accepting an agri-monetary rettlement based on the German ideas. The United Kingdom had maintained a reserve because of the potential effect on the Community's budget and because it would strengthen the Prime Minister's bargaining position in the European Council.

In discussion it was pointed out that there could be some doubts that the quota/superlevy system would be applied with equal rigour in all member states, although the Commission wife of the view that it could be administered fairly. It was clear in any event that the introduction of the quota/superlevy would be a tough decision. Community finance was not available for a more relaxed approach or a longer transition. Even allowing for a decision on the quota/superlevy, Community expenditure on agriculture in 1984 was already forecast to run substantially above the budget and no extra funds were available. It might be argued that recent rapid growth in the milk surplus was more the responsibility of farmers in other member states than in the United Lingdom. It was now true, however, that, after taking account of imports of butter from New Zealand, the United Kingdom was more than self-sufficient for milk and milk products. Nonetheless, the political problems of the cutback in milk products. Nonetheless, the political problems would be exacerbated if it were thought that the United Kingdom was likely to concede any special arrangements for other member states at producers. A concession for Ireland would be particularly sensitive.

THE PRIME MINISTER, summing up the discussion, said that because tough measures on milk were needed, no member state was likely to be satisfied.

She foresaw considerable diffculties at the European Council on 19-20 March, in particular when Ireland and possibly other member states presented requests for special treatment. In the meantime it was important that briefing should be made available quickly for backbenchers and Ministerial colleagues.

The Cabinet -

Took note.

Invited the Minister of Agriculture, Fisheries

The Food to make available quickly briefing for
backbenchers and Ministerial colleagues on the proposed
milk quota/superlevy.

AFFAIRS
The Coal
Industry
Previous
Reference:
CC(84) 10th
Conclusions,
Minute 3

THE SECRETARY OF STATE FOR ENERGY said that the industrial action in the coal industry was related to both pay and pit closures. On neither issue did the National Union of Mineworkers (NUM) have a case which ought to command public support. The National Coal Board (NCB) had last autumn offered an increase in basic pay rates of 5.2 per cent. If this was accepted, the average earnings of face workers would be £65 a week higher than the Command public support came into office. On closures, there higher than when the Government came into office. On closures, there had been a reduction of 20 000, or about 10 per cent, in the workforce over the past year but this pay been achieved largely by the offer of alternative jobs at neighbouring pits and voluntary redundancy. In the plans for the coming year which the NCB had now announced closures would be largely confined to four regions. Since it would now be difficult to find alternative jobs at nearby pits, and the proportion of the workforce over 50 years of age had been much reduced, generous redundancy terms had been announced for miners under that age. Meanwhile the NCB was putting any investment into the coefficields at a rate of around was putting new investment into the coeffields at a rate of around fig million a day. The NUM President Mr Stargill had taken the view that a national ballot would not secure a magnety for a strike. This had been confirmed by the large number of pits where miners had wished to continue working at the beginning of the week, as had been reported to the California bad reduced the Cabinet at its previous meeting. Since then picketing had reduced the the number of pits working to around 20 or 30. Pickets from Yorkshire had been brought into Nottinghamshire, Derbyshire and Lancashire, from Kept Kent to Leicestershire, from South Wales to Norsh Walas and from Scotland to Northumberland. There was a risk that the ballots being held in the more moderate areas would be either frustrated of unsatisfactory became because of low turnout. The NCB was considering a suggestion that it might offer the NUM executives in areas which wished to ballot a list of addresses and other facilities to enable a postal ballot to take place, though it was unlikely that such an offer would be accepted. The NCB had to had the previous day secured an injunction against the Yorkshite area of the NUM for picketing other than at their own places of work. At Present it seemed unlikely that the Yorkshire area would comply if they did not, the NCB would apply to the court the following day for action

against the Yorkshire area's assets. The present assessment of endurance was that power station coal stocks, together with oil burn, would last for some six months; many industrial companies would however run out of coal considerably earlier.

THE HOME SECRETARY said that he had made a statement on television and adio the previous day making it clear that any miner who wished to work should be able to do so; that any attempt to obstruct or intimidate a miner who wished to do so was a breach of the criminal law; that a large number of pickets amounted of itself to intimidation; that the police had the power and the duty to stop large numbers of pickets from assembling and to disperse them; and that the police would have his full support in carrying out their duties to maintain law and order. Each of the Chief Constables in the areas affected had been similarly informed. A national reporting centre had been set up in London to co-ordinate the activities of the police force. 3,000 policemen had been deployed in Nottinghamshire, many drawn from police forces throughout the country. His latest information was that no miner who wished to work was being prevented from dring so by physical force or intimidation. The number of pickets arreaded had increased. The police were now exercising their powers to stop coaches carrying flying pickets. It was however clear that many miners, although rilling to work, were not prepared to cross picket lines even when they small numbers of pickets were present. There had been a particularly rivicult situation the previous night at ollerton Colliery wherea kidning picket had died. A post-mortem was to be held later that day. The price believed that death was due to natural causes, and there was no second in that the police had been involved. Although pickets had now bear information to advise and report.

In discussion, the following main points were made -

a. Although the Yorkshire area of the NUM might seek to comply with the injunction in form only by disclaiming responsibility for the picketing or by organising massive demonstrations away from the immediate vicinity of the pits but in locations through which miners wishing to work had to pass, it was likely that the courts would frame the injunction so as to prevent this.

b. The NCB might wish to consider seeking similar injunctions against other NUM areas organising flying property if the necessary evidence was available.

THE PRIME MINISTER, summing up the discussion, said that it was for the NCB to seek maximum redress from the courts under the exillaw. The Government's responsibility in the matter lay in the maintenance of law and order. The Home Secretary would continue to assure that the police would have the full support of the Government in action to secure access to pits for those miners who wished to work and to deal with obstruction or intimidation. If, as seemed likely, public opinion to the Constables and their forces could be expected to take account of that

The Government should provide any assistance and advice which would enable Chief Constables to react with speed and flexibility; it was particularly desirable for the police to act before large numbers of pickets were able to assemble. The Government should, however, continue to avoid becoming involved in the substance of the dispute, which should be seen as being between a majority of miners who wished to work and a provide who were prepared to use violence and intimidation to prevent this happening. The Home Secretary would be making an oral statement the House of Commons, and the Attorney General would, in a written Partiamentary Answer, be providing an up-to-date description of the law, both original and civil, relating to picketing.

The Cobinet -Took note.

EDUCATION IN LONDON

Previous Reference: CC(84) 9th Conclusions, 5. The Cabinet considered a memorandum by the Secretary of State for Education and Science and the Secretary of State for the Environment (C(84) 10), a further memorandum by the Secretary of State for the Environment (C(84) and a note by the Secretary of the Cabinet (C(84) 12), on education in London. The Cabinet's discussion and the conclusions reached are recorded separately.

Cabinet Office 15 March 1984

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CABINET

LIMITED CIRCULATION ANNEX

CC(84) 11th Conclusions, Minute 5

Thursday 15 March 1984 at 10.00 am

EDUCATION IN FONDON Previous Reference: CC(84) 9th Conclusions, Minute 5

The Cabinet considered a memorandum by the Secretary of State for Education and Science and the Secretary of State for the Environment (C(84) 10), a further memorandum by the Secretary of State for the Environment (C(84) 11), and a note by the Secretary of the Cabinet (C(84) (2),) on education in London.

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that he remained convinced that education in inner London should become the responsibility of a new directly-elected authority after the abolition of the Greater London Council (GLC). (84) 12 showed, it would not be appropriate to make the new body a fating authority, as some members of the Cabinet had advocated in previous discussion; but it would be possible to develop the proposals in the White Paper on Rates (Cmmd 9008) to develop the proposals in the Write Paper on Rates (Cmmd 9008) to Provide that the directly-electron authority should issue a separate statement to each ratepayer in inner London explaining its budget and setting out the rate poundage attributable to its activities. This would require new powers to be taken in the main Abolition Bill. It would be receible to provide in addition a fuller statement to be It would be possible to provide in eachtion a fuller statement to be issued in a separate envelope to make it even more perceptible. This would cost more. It did not need to be decided now.

There were three strong reasons for including provision for direct elections in the abolition Paving Bill to be presented later in the current Session. First, such action would carry more conviction than a mere announcement of intent. It would strengthen the Government's case that the GLC had few functions. Secondly to would avoid cumbersome transitional arrangements. Without legislation in the Paving Bill, the Inner London Education Authority (ILEA) would have three separate memberships in 12 months: until May 1985, there would be as April 1986, all members would be borough appointees; and from April 1986. 1986 onwards the members would be directly elected. Noteover, there Were only four GLC members for inner London who were also borough members, so that from May 1985 to April 1986 the ILEA would be largely run by borough councillors with no experience of running echeation and little incentive to take an interest in it as they would be responsibility for it in April 1986. Thirdly, direct elections May 1985 would substantially ease the problems of transition for the inner London boroughs. There was already concern about the prospec load on the boroughs in 1985-86; removing the need for borough appointees to run the ILEA would make a big difference.

THE LORD PRESIDENT OF THE COUNCIL said that to include provision for direct elections to the ILEA in the Paving Bill would entail hurried drafting. This was always dangerous. It would also extend the scope of the Bill and could thus increase the time required for its passage through Parliament. There were contingent Bills which might, in ertain circumstances, have to be added to the existing legislative gramme at short notice. The upshot could be serious delay to other portant legislation and a large overspill at the end of the current Session. In his view, the advantages of making provision for direct elections to the proposed new body in the Paving Bill did not justify the fishs it would entail for the legislative programme. It would also expose the Government to criticism on the grounds that it was including in the Paving Bill matters which prejudged substantial elements of its abolition proposals.

In discussion, the following main points were made -

The information contained in C(84) 12 suggested that, despite its attractions, there might be serious drawbacks to the creation of a directly-elected authority to run education in inner London. It was clear that the objections to making it a rating authority were overwhelming; and some members of the cabinet considered that a precepting authority, even on the basis terribed in paragraph 8 of C(84) 12 and recommended by the Socretary of State for the Environment, would not be sufficiently accountable. It was also possible that the creation of a directly-elected authority might make it harder to change the organisation of education in inner London at a later stage if that should seem desirable. Ministers needed more time it which to assess the balance of advantage.

b. On the other hand, it was argued that the Government would be pressed very strongly to extree to the creation of a directly-elected body: this might indeed be a necessary directly-elected body: this might indeed be a necessary condition of securing the agreement of the House of Lords to the abolition Paving Bill. Even if legislative provision Were not made in the Paving Bill, an early statement of the Government's intention to make it in the main Abolition Bill was essential.

A possible course would be to prepare systable provisions With a view to including them in the Paving bill after Second Reading if that seemed desirable in the light of tryther Ministerial consideration and Parliamentary developments. On the other hand, there were arguments for limiting the scope and long title of the Paving Bill so as to minimise range of amendments which could be proposed.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that the abolition Paving Bill to be presented later in the current Session should not include provision for the creation of a directly-elected authority to run education in inner London or for elections to it. The Cabinet had reached no view on whether it would be desirable to create such a body. This should be further considered, initially by the Ministerial Group on the Abolition of Greater London Council and the Metropolitan County Councils (Mrs. 95). The Group's consideration should be based on the premise that any new body would be a precepting, not a rating, authority.

The Gabinet -

Took note, with approval, of the Prime Minister's summing up of their discussion.

Cabinet Office 16 March 1984