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CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 29 NOVEMBER 1984
at 10.30 am

P R E S E N T

The Rt Hon Margaret Thatcher MP
Prime Minister

The Rt Hon Lord Hailsham of St Marylebone
Lord Chancellor

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

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

The Rt Hon Michael Heseltine MP
Secretary of State for Defence

The Rt Hon Nicholas Edwards MP
Secretary of State for Wales

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

The Rt Hon Michael Jopling MP
Minister of Agriculture, Fisheries and Food

The Rt Hon Nicholas Ridley MP
Secretary of State for Transport

The Rt Hon Earl of Gowrie
Chancellor of the Duchy of Lancaster

The Rt Hon Lord Young of Graffham
Minister without Portfolio

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THE FOLLOWING WERE ALSO PRESENT

Sir Patrick Mayhew QC MP
Solicitor General (Item 1)

The Rt Hon Kenneth Baker MP
Minister for Local Government,
Department of the Environment (Item 1)

The Rt Hon Paul Channon MP
Minister of State, Department of Trade
and Industry (Item 4)

Mr John Cope MP
Treasurer of the Household

SECRETARIAT

Sir Robert Armstrong
Mr P L Gregson (Items 4 and 5)
Mr D F Williamson (Items 2 and 3)
Mr B G Cartledge (Items 2 and 3)
Mr M S Buckley (Items 4 and 5)
Mr R Watson (Item 1)

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PARLIAMENTARY
AFFAIRS
Local
Government
Bill
Legal
Challenge
to Draft
Order on
Supplementary
Finance for
the European
Community

The Cabinet were informed of the business to be taken in the House of Commons in the following week and that the House would return after the Christmas Adjournment on 9 January 1985. The House of Lords would return on 14 January 1985.

THE MINISTER FOR LOCAL GOVERNMENT said that it was hoped to take Clause 1 of the Bill in Committee on the floor of the House on 12 and 13 December. There would be a wide ranging debate and some further time might have to be provided.

THE CHANCELLOR OF THE EXCHEQUER said that two Private Notice Questions had been put down by Mr Teddy Taylor MP and Mr Robin Cook MP seeking a reaction to a court decision concerning the proposed Order in Council on Supplementary Finance for the European Community (EC). A Mr Smedley had applied for and had been granted leave to bring proceedings for judicial review of the draft Order in Council on the grounds that the powers in Section 1(3) of the European Communities Act 1972 did not extend to the making of such an Order. It seemed unlikely that the requests for Private Notice Questions would be granted since there was no great urgency and the matter was in any case sub judice. The Joint Committee on Statutory Instruments were still considering the Order and were to meet again the following Tuesday. However, if the court ruled that secondary legislation was inappropriate, the need to formulate primary legislation at such short notice would be very disruptive.

THE PRIME MINISTER, summing up a brief discussion, said that it seemed unlikely that the Private Notice Questions would be accepted. If they were, the Law Officers should respond and it would be necessary to maintain the Government's view that secondary legislation under Section 1(3) of the European Communities Act was the appropriate vehicle for this measure. Although the conditions for making the Order had not yet been met (the EC Council had not agreed the budgetary discipline text) it would be necessary to expedite the hearing of the case.

The Cabinet -

1. Took note.

THE SECRETARY OF STATE FOR DEFENCE said that a copy of a diary kept by a member of the crew of HMS Conqueror was now in the possession of his Department. It was also in the possession of a newspaper and of an Opposition Member of Parliament. The diary was potentially a classified document and its release constituted a prima facie breach of the Official Secrets Act. As such it had to be referred to the Director of Public Prosecutions. Although he expected shortly to receive a report on the loss of the navigator's log of HMS Conqueror, further enquiries might be necessary. Neither the diary nor the navigator's log would reflect on the reasons for the sinking of the Belgrano.

The Cabinet -

2. Took note.

The Sinking
of the
Belgrano

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Changes in
the Level of
Student
Grants

THE TREASURER OF THE HOUSEHOLD said that it was possible that the Opposition would table a motion for the debate on the Autumn Statement which would be critical of the changes in student grants. Over 120 Conservative Members of Parliament, including some Parliamentary Private Secretaries, had put their names to Early Day Motions critical of the Government's proposals.

THE PRIME MINISTER, summing up a brief discussion, said that it was important for the Government's supporters to understand the reasons for the changes. The Secretary of State for Education and Science had made a very good speech the previous evening explaining the reasons for the redistribution within student grants and from student grants to the science budget. This should be available to all colleagues in addition to the briefing already provided. The Secretary of State for Education and Science should endeavour to see the Conservative Backbench Committee on Education as soon as possible and, if appropriate, the 1922 Committee that evening. In the longer term, it might be necessary to look again at the question of loans for students and the extent to which students were being financed from the social security budget and by tax concessions. In the short term, the Government must stress the enormous damage to science which would take place if the decision were reversed. It would also be appropriate to draw attention to the damage to essential services caused when students demonstrating against the changes had blocked the bridges across the Thames but without over-emphasising the point, lest other protesting groups were encouraged to follow the example.

The Cabinet -

3. Took note.

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that he could at this stage add nothing to the accounts which had appeared in the press of the murder in Bombay, on 27 November, of the British Deputy High Commissioner, Mr Percy Norris. Responsibility for the assassination had been claimed by the "Revolutionary Organisation of Socialist Muslims" (ROSM), who had similarly claimed responsibility not only for the murder in Athens of the Deputy British Council representative, Mr Kenneth Whitty, on 29 March, but also for incidents in which they were unlikely to have been involved such as the Brighton bombing. Apart from these claims, nothing was known about the ROSM: they might or might not be a front for the Abu Nidhal terrorist group. Security arrangements for British official personnel in India had already been under review following Sikh reactions in the United Kingdom to the murder of Mrs Indira Gandhi and this was now being intensified, with the full co-operation of the Indian authorities. It had to be recognised, however, that there was no such thing as absolute security for individuals. Steps were in hand to care and provide for Mr Norris's widow and children.

In a brief discussion, reference was made to press reports that the Irish Republican Army (IRA) had donated £400,000 to the Palestine Liberation Organisation and to the possibility that this might represent payment to Arab terrorists for acting as agents in implementing the IRA's threat to kill British diplomats. If these reports were to be

FOREIGN
AFFAIRS

Assassination
of the
British
Deputy High
Commissioner
in Bombay

substantiated, they would have implications both for British policies and for presenting the case against the raising of funds in the United States in support of the IRA.

Gibraltar
Previous
Reference:
CC(84) 15th
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY referred to his statement in the House of Commons on the previous day on the agreement which he had reached with the Spanish Foreign Minister, Senor Moran, in Brussels on 27 November concerning Gibraltar. The agreement was the product of six meetings which had taken place over a period of many months. It had the full support of the Chief Minister of Gibraltar, Sir Joshua Hassan, whose attitude to and advice on the negotiations had been consistently helpful and constructive. The effect of the agreement would be to unlock the borders which had remained closed since 1969, in advance of the conclusion of the negotiations on Spanish accession to the European Community. The terms of the agreement embodied a substantial shift in the Spanish position on modification of the Spanish Prohibited Airspace. The agreement would set in train the negotiating process envisaged in the Lisbon Declaration of 1980: it contained a specific reference to the issue of sovereignty but also to the British Government's intention to maintain its commitment to honour the wishes of the people of Gibraltar. The Foreign and Commonwealth Secretary said that he had made it very clear that this commitment remained unqualified: Senor Moran, for his part, had agreed that there could be no change in the status of Gibraltar against the will of its people. The Spanish Government had shown moderation in their reaction to the agreement and had eschewed triumphalism. The agreement offered a way forward towards significantly improved practical arrangements over Gibraltar and would exert a helpful influence on the Spanish Government's forthcoming referendum on Spain's membership of the North Atlantic Treaty Organisation.

Ethiopia
Previous
Reference:
CC(84) 37th
Conclusion
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Minister of State, Foreign and Commonwealth Office and Minister for Overseas Development, Mr Timothy Raison, had visited Ethiopia from 24 to 27 November and had met the Chairman of the Provisional Administrative Council, Colonel Mengistu. The Ethiopian Government had expressed high appreciation of the famine relief aid already provided by the United Kingdom, of the lead which Britain had given to others, and of the operations so successfully conducted by the Royal Air Force. The Ethiopians had sought British approval of their resettlement plans but Mr Raison had warned them of the dangers of a collectivisation of agriculture. The immediate need lay in filling a gap in the flow of food supplies: no further deliveries were expected until mid-December and, in the meantime, the port warehouses were empty. It would also be necessary to consider very carefully the requirements for assistance in the longer term, taking full account of the needs of other African countries.

In a brief discussion, it was noted that the current gap in the flow of aid had been heavily publicised. British Ministers could confirm, if

necessary, that active steps were being taken, for example with United Nations bodies, to identify possible ways of filling it.

East/West Relations

Previous Reference: CC(84) 3rd Conclusions, Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that the meeting which had now been arranged between the United States Secretary of State, Mr Schultz, and the Soviet Foreign Minister, Mr Gromyko, on 7 and 8 January 1985, in Geneva, was the outcome of extensive discussion behind the scenes. The purpose of the meeting would be to reach agreement on the scope of any substantive negotiations which might follow it: progress on the substance of arms control probably still lay some way ahead. The proposal for a preliminary meeting nevertheless represented a shrewd tactical move by the Soviet Union, designed to extract from the United States concessions of substance in return for Soviet concessions on procedure. The period ahead was likely to be one of some political difficulty for the Western Alliance, as the shift of opinion in a major Belgian political party, the Flemish Christian Democrats, on the deployment of Cruise missiles had already shown. It would be very important, as the Prime Minister had pointed out in the House of Commons on the previous day, for the West to maintain its firmness of purpose, to guard against Soviet wedge-driving, and to avoid unduly inflated expectations of progress.

The Cabinet -

1. Took note.

Defence

Previous Reference: CC(84) 26th Conclusions, Minute 2

THE SECRETARY OF STATE FOR DEFENCE said that he had attended a meeting of the Independent European Programme Group (IEPG) in The Hague on 22 and 23 November and had also taken part in a meeting with the Defence Ministers of the Federal Republic of Germany, France, Italy and Spain on the European Fighter Aircraft project. The discussions in the IEPG had provided an encouraging indication of the potential for a more co-ordinated approach to arms procurement. On the European Fighter Aircraft project, however, it was clear that the differences between the United Kingdom and France remained as substantial as ever.

Northern Ireland

THE SECRETARY OF STATE FOR NORTHERN IRELAND said that in Dublin Irish Ministers and the Irish press were still expressing their worry, concern and anger in the aftermath of the Anglo-Irish Summit meeting at Chequers on 18 and 19 November. It was difficult effectively to allay their concerns without appearing to go back on the realistic statements which it had been necessary to make. It would nevertheless be helpful if it were to prove possible to find soothing language which would not dilute the British Government's position. He had met the leader of the Democratic Unionist Party, Dr Paisley, on 28 November and it seemed probable that the leaders of the political parties in Northern Ireland would meet each other before long, but not necessarily all together. Depending on the outcome of these discussions, it would be for the British Government to decide on the ideas which might then be

injected into the exchanges. The leader of the Social Democratic and Labour Party, Mr John Hume, was taking stock of his position, which was a difficult one. The Unionists were devoting more time and energy to rejoicing over what they regarded as a successful outcome to the Anglo-Irish Summit than to addressing the political problems which Northern Ireland faced.

In a brief discussion, the difficulty was noted of negotiating with nationalists who did not acknowledge allegiance to the United Kingdom and who expected the British Government to heal wounds which were largely self-inflicted. The Irish Government was still resentful after its failure to secure arrangements for the exercise of joint authority, with the British Government, in Northern Ireland

The Cabinet -

2. Took note.

3. THE FOREIGN AND COMMONWEALTH SECRETARY said that, following the meeting between the Council and the European Parliament, it had been hoped to adopt without change in the Council of Ministers (Foreign Affairs) on 26-28 November the text on budgetary discipline. No member state was disposed to make any concession of substance to the European Parliament. There had, however, been some argument between member states whether some reference to hearing the views of the European Parliament should be included in the text, in a covering letter or in the minutes. As a result the text had not yet been adopted. The limited point in dispute would have to be settled in the European Council on 3-4 December. The Germans were now taking the same line as the United Kingdom, that they would not pay any money under the intergovernmental agreement on 1984 financing until the budgetary discipline text had been formally adopted. In discussion it was pointed out that it was important that the text should now be adopted and that the substance should not be reopened in the European Council.

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Council of Ministers (Foreign Affairs) on 26-28 November had not completed the discussions on the Community's position for the enlargement negotiations with Spain. It had not been possible to get agreement on wine because of Italian resistance to the specific proposals for discouraging surplus production and of certain German difficulties. These issues would be submitted to the European Council for decision. On fisheries only the Italians and Greeks were opposing an otherwise agreed Community position; their opposition was largely tactical and would probably fall away if the wine question were settled. On Spanish industrial tariffs and United Kingdom car exports there was a satisfactory agreed Community position. The Spanish had made a counter-offer to the Community which the United Kingdom had not accepted. These negotiations were continuing.

The Cabinet -

Took note.

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COMMUNITY AFFAIRS

Community Budget

Previous Reference: CC(84) 38th Conclusions, Minute 4

Enlargement of the Community

Previous Reference: CC(84) 38th Conclusions, Minute 4

INDUSTRIAL
AFFAIRS

Coal
Industry
Dispute
Previous
Reference
CC(84) 38th
Conclusions,
Minute 5

4. THE SECRETARY OF STATE FOR ENERGY reported to the Cabinet on the latest position in the coal industry dispute. The Cabinet's discussion is recorded separately.

ECONOMIC
AFFAIRS

British
Telecom
 flotation

5. THE CHANCELLOR OF THE EXCHEQUER said that the offer to the public of shares in British Telecom had gone very well and had been substantially over-subscribed. There had been more than 2 million applications for shares. All those members of the public who had made valid applications would be allocated some shares.

The Cabinet -

Took note.

Previous
Reference
CC(84) 37th
Conclusions,
Minute 1

Cabinet Office

29 November 1984

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Sir Robert Armstrong
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CABINET

LIMITED CIRCULATION ANNEX

CC(84) 39th Conclusions, Minute 4

THURSDAY 29 NOVEMBER 1984 at 10.30 am

THE SECRETARY OF STATE FOR ENERGY said that during the previous week over 6,000 miners had returned to work. The corresponding figure in the current week was likely to be about 2,000. The fall in numbers was partly due to the smaller immediate financial incentives for those returning and partly to widespread intimidation, particularly in the North East and Yorkshire. The case of Mr Michael Fletcher, a Yorkshire miner who had been seriously assaulted in his own home by a gang, had received extensive publicity and had made many miners in Yorkshire less willing to return to work. Even so, only 37 pits had been on strike or picketed out on Wednesday 28 November, compared with 94 at the beginning of the month. The National Coal Board (NCB) hoped to consolidate this position, which offered good prospects of being able to use the large stocks of coal at pitheads, even if the pits in question were not currently producing significant quantities. After Christmas, the Board intended to mount a big public campaign to persuade still more miners to return. Coal movements continued at a high level: in the previous week, about 650,000 tonnes had been moved to power stations and 300,000 tonnes to industry and domestic consumers; there were also substantial imports of coal. Most industrial and domestic consumers had little difficulty in securing supplies of coal, except for some individual grades.

The leaders of the Trades Union Congress (TUC) were trying to offer their services as intermediaries in a new round of negotiations, but had been rebuffed by the National Union of Mineworkers (NUM). There was no sign that the NUM was willing to move from its demand that no pit should be closed on economic grounds. While this was so, the NCB would continue to take the line that resumed negotiations could serve no purpose.

In discussion, the following main points were made -

- a. Intimidation of working miners was a matter of the greatest concern. It was particularly worrying that there appeared to be long delays in bringing serious cases to trial. This brought the legal system and its ability to protect citizens going about their daily business into disrepute. The Government should take all measures open to it to expedite hearings. In particular, it would be for the Director of Public Prosecutions (DPP), who had taken over the prosecution of the case involving Mr Fletcher, to consider whether he should apply for the hearing of that case to be expedited.

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INDUSTRIAL
AFFAIRS

Coal
Industry
Dispute

Previous
Reference:
CC(84) 38th
Conclusions,
Minute 5

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b. Against this, it was pointed out that whether a case was expedited was a matter for the judiciary. The prosecution could apply for an expedited hearing; but the defence was entitled to object. It must also be remembered that undue haste could lead to inadequate presentation of the evidence, especially on such aspects as the involvement of third parties, and even to the quashing of a conviction on appeal. Expediting one case also meant that other cases must be deferred, to the detriment of the defendants. The Solicitor General would draw the attention of the DPP to the arguments of public policy in favour of applying for an expedited hearing of the Fletcher case; but the DPP would need to weigh all the factors in reaching his decision.

c. The extensive publicity which had been given to Mr Fletcher and his injuries could well make it impossible to hold a fair trial in Yorkshire. It might well be desirable to apply to have the trial transferred to the Central Criminal Court; but the decision on such an application would be a matter for the judiciary.

d. In public comment on the Fletcher case it would be both proper and desirable to point out that the police had quickly arrested the people against whom there appeared to be sufficient evidence to warrant bringing charges, and that those people were now in custody. But it would be important to avoid any suggestion that they were guilty before they had been tried.

THE PRIME MINISTER, summing up the discussion, said that in commenting on the dispute the Government should maintain its previous line. The delay in bringing serious cases of violence and intimidation to trial was a continuing cause of concern. Those responsible for the conduct of prosecutions should in all cases consider the desirability of applying to the Court for an expedited hearing, bearing in mind the points made in discussion. If the TUC asked the Government to discuss the dispute and, in particular, how a resumption of negotiations could be arranged, they should be asked whether they had any authority from the NUM to make such a request and whether the NUM was prepared to change its previous intransigent attitude. It was unlikely that the TUC would be able to give satisfactory answers.

The Cabinet -

Took note.

Cabinet Office

30 November 1984