

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

5) 23rd  
usions

COPY NO

74

CABINET

CONCLUSIONS of a Meeting of the Cabinet  
held at 10 Downing Street on  
THURSDAY 4 JULY 1985  
at 10.00 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 Nicholas Edwards MP  
Secretary of State for Wales

The Rt Hon John Biffen MP  
Lord Privy Seal

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

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

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon John Wakeham MP  
Parliamentary Secretary, Treasury

Mr John Gummer MP  
Paymaster General (Items 1 and 2)

SECRETARIAT

Sir Robert Armstrong  
Mr D F Williamson (Items 4-8)  
Mr C L G Mallaby (Items 4-8)  
Mr C J S Brearley (Items 1-3)  
Mr R Watson (Items 1-3)

C O N T E N T S

Item	Subject	Page
1.	DISCLOSURE OF PROCEEDINGS IN CABINET	1
2.	HOME AFFAIRS Sunday Trading Bill	1
3.	PARLIAMENTARY AFFAIRS Reports of the House of Commons Services Committee	2 2
4.	FOREIGN AFFAIRS Hijacking of Aircraft of Trans World Airlines Airport Security Training of Terrorists in the United States South Africa Soviet Leadership Changes	2 3 4 4 5
5.	COMMUNITY AFFAIRS European Council, 28-29 June Trade with Japan	5 7
6.	ECONOMIC AFFAIRS Unemployment	7
7.	NORTHERN IRELAND AFFAIRS The Marching Season	7
8.	PRESENTATION OF CANDLESTICKS	8

DISCLOSURE OF  
PROCEEDINGS  
IN CABINET

Previous  
Reference:  
CC(85) 20th  
Conclusions,  
Minute 1

1. THE SECRETARY OF STATE FOR TRANSPORT drew attention to press reports of the discussion among members of the Cabinet at the informal meeting at Chequers on public expenditure on 23 June. The reports could have been based only on information derived from somebody who was present at the meeting. Observations had been attributed to him which he had not made. Not only was this unfair to other members of the Cabinet as well as to himself; reports of the kind that had been published, especially if constantly reiterated, gave the public the impression of a Cabinet that was divided and uncertain about the policies to be followed.

THE PRIME MINISTER, summing up a brief discussion, said that the reports of the discussion at Chequers served to emphasise the importance of maintaining strict confidentiality on proceedings in Cabinet and in other Ministerial discussions, so as to protect the frankness in discussion which was an indispensable feature of Cabinet government. For that reason as well as in the interests of the Government's standing in the country, it was important that journalists should not be given briefings or indications of what was said by various Ministers in their contributions to private discussions among colleagues, in Cabinet or elsewhere.

The Cabinet -

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

HOME AFFAIRS

---  
Sunday  
Trading  
Bill

Previous  
Reference:  
CC(85) 4th  
Conclusions,  
Minute 1

2. THE PAYMASTER GENERAL reported that the Church of England Synod had the previous day voted by an overwhelming majority to support a campaign against the introduction of the Government's Sunday Trading Bill. This vote gave a misleading impression that the Church of England was almost unitedly against the removal of the restrictions on Sunday trading; but this was one of those rare matters on which it was both possible and convenient for various factions in the Church to come together to give an impression of unity.

THE LORD CHANCELLOR said that practice in Scotland as well as in the rest of Europe showed that Sunday trading could not be held to be doctrinally repugnant to the Christian faith. The vote on this matter had done the Church of England no credit.

The Cabinet -

Took note.

PARLIAMENTARY  
AFFAIRS

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

Reports of  
the House of  
Commons  
Services  
Committee

THE LORD PRIVY SEAL said that two reports from the House of Commons Services Committee would be debated on Friday 12 July. The first was concerned with limiting the numbers of temporary research assistants. The debate might, however, spill over into the question of research assistants generally and their effects on the working and security of the House. The question of advisers to Select Committees might also be raised. The second report was about Members' requirements for Information Technology. The report made ambitious and expensive proposals. He would tell the House that nothing could be done until Parliament had been rewired for the new annunciator system. Much would depend on the arrangements necessary for the operation of the new Bridge Street annex. He would also point out the increasing concern about the rapidly rising costs of running Parliament and the need for self-restraint.

THE PRIME MINISTER, summing up a brief discussion, said that the debate would provide a welcome opportunity for backbenchers to raise matters of current concern going beyond the strict recommendations in the reports, notably on the rising numbers of research assistants and advisers and the increasingly high cost of running Parliament.

The Cabinet -

Took note.

FOREIGN  
AFFAIRS

---  
Hijacking of  
Aircraft of  
Trans World  
Airlines

Previous  
Reference:  
CC(85) 22nd  
Conclusions,  
Minute 4

4. THE FOREIGN AND COMMONWEALTH SECRETARY said that Syria had played a significant role in the ending on 30 June of the hijack incident with the release of the United States hostages and the aircrew. The Syrian role had been acknowledged by the United States. Syria had now offered help in securing the release of other hostages held in Lebanon. The British interest was in Mr Alec Collett, the one British citizen held in Lebanon. It was proving very difficult to find out who was holding him. Some reports had spoken of his release in exchange for that of 10 Arab prisoners in British prisons. A French journalist had claimed access to those who had been responsible for the kidnapping of Mr Collett. Efforts were being made to find out more about Mr Collett's situation through all possible intermediaries. It might be desirable to increase the efforts to make use of Syria in this regard.

It now seemed less likely that the United States would retaliate in the immediate future against those who had been responsible for the hijacking. Such action would run the risk of undermining such moderation as was being shown by Syria and by some of the Shi'ite community in Lebanon. But it had been clear from the Prime Minister's

talks on 3 July with the United States Vice-President, Mr George Bush, that the United States felt a strong desire to bring those responsible for the hijacking to justice. The United Kingdom would keep in close touch with the United States on this.

Airport  
Security

Previous  
Reference:  
CC(85) 22nd  
Conclusions,  
Minute 4

In a joint statement following the Prime Minister's meeting with Vice-President Bush, the United Kingdom and the United States had announced that they would seek the agreement of all states which shared their concern for the security of civil aviation to suspend all services between their countries and Beirut International Airport. It appeared at present that Italy had not decided whether to follow this lead. France was unlikely to do so. Senior officials of the countries participating in the seven power Economic Summits were due to meet in Bonn in the following week, as a result of British, American and Canadian pressure on the Federal Republic of Germany. A major British purpose at that meeting would be to secure the revitalisation of the Bonn declaration of 1978. In parallel, the United Kingdom was working for joint decisions among the 10 countries of the European Community on the proposals for combating terrorism which had been circulated by the United Kingdom during the meeting of the European Council in Milan on 28 and 29 June.

In discussion, the following points were made -

- a. French reluctance to take joint action against aviation terrorism was a serious impediment to progress. A contributory factor in the present situation was that Middle Eastern Airlines, which operated from Beirut, was partly owned by Air France.
- b. The unique characteristic of the Trans World Airlines hijacking had been that Beirut Airport, where much of the drama had taken place, had itself been controlled by no government. While the long-term aim should be that Beirut Airport, one of the most important in the Middle East, should again become secure for use, there was no alternative in the near future to the policy being pursued by the United States and the United Kingdom of seeking to persuade responsible countries to refuse to receive flights which had started or stopped over at Beirut.
- c. There was a risk that the intended blockade of Beirut Airport would not be totally effective. Airlines from non-participating countries might transfer passengers to flights connecting with participating countries. But energetic pursuit of the aim of a blockade was nevertheless the best available policy.
- d. Other countries were likely to join the United States and the United Kingdom in this policy. Even if this were not the case, it would still be preferable for the United States and the United Kingdom to be pursuing the policy together than for the United States to be doing so alone.

**CONFIDENTIAL**

e. The Chairman of British Airways (BA), Lord King, had privately expressed concern that, if BA participated in a formal blockade of Beirut Airport, there could be retaliation against the airline by terrorists in some other country. It would be up to BA to take precautions against this risk. The more countries participating in the blockade, the less would be the risk of retaliation against any particular country's airlines.

f. The Greek Government were taking seriously the recommendations of the International Air Transport Association for improving security at Athens Airport.

Training of Terrorists in the United States

THE FOREIGN AND COMMONWEALTH SECRETARY said that the interview with an American citizen involved in training terrorists in the United States, which had been broadcast on domestic but not external services by the British Broadcasting Corporation on 27 June, was substantially correct. The organisation concerned was a commercial enterprise at Birmingham, Alabama, which trained mercenaries. The United States authorities had learned that four Sikhs who had recently enrolled at this training school were planning to assassinate the Prime Minister of India, Mr Rajiv Gandhi. The Sikhs had been arrested. There was no evidence that Irish terrorists had been trained at the school. Further inquiries about the nature of the school were being made.

Previous Reference: CC(85) 22nd Conclusions, Minute 4

South Africa

THE FOREIGN AND COMMONWEALTH SECRETARY said that, following the South African raid into Gabarone in Botswana on 14 June, there had been a South African military incursion into Angola on 29-30 June, allegedly in pursuit of members of the South West African People's Organisation. There had also been a bomb explosion on 1 July in the offices in Lusaka of the African National Congress. The United States was concerned that South Africa might be planning an attack on Lesotho and had made representations about this to South Africa. The more South Africa engaged in this kind of raid, the more the pressures in the United Nations and elsewhere for economic sanctions against South Africa would grow. Such sanctions would be particularly damaging to the economic interests of the United Kingdom. It was therefore desirable for the United Kingdom to do everything possible to dissuade South Africa from undertaking further raids. Action to this end was under consideration. After previous events of this kind, firm representations had been made to the South African Ambassador in London; in any future cases, stronger action might be needed.

Previous Reference: CC(85) 21st Conclusions, Minute 2

**CONFIDENTIAL**

CONFIDENTIAL

Soviet  
Leadership  
Changes

THE FOREIGN AND COMMONWEALTH SECRETARY said that the appointment of Mr Andrei Gromyko, the veteran Soviet Foreign Minister, to the State Presidency of the Soviet Union, while occasionally rumoured in the past, had come as a surprise. It was very unusual for a Foreign Minister to become President, although it was not unusual for the positions of General Secretary of the Communist Party of the Soviet Union and of State President to be separated. The appointment of Mr Eduard Shevardnadze, hitherto First Secretary of the Communist Party of the Soviet Republic of Georgia, as Foreign Minister had come as a complete surprise. Mr Shevardnadze was relatively young. He had a reputation for toughness and effectiveness in Georgia. The speed of the major changes in the Soviet leadership, including the departure of Mr Grigory Romanov, demonstrated the rapidity with which Mr Mikhail Gorbachev was consolidating his position as leader. While Mr Gromyko would retain influence on foreign policy, that influence would probably decline gradually and Mr Gorbachev's was likely to increase.

It had now been announced that President Reagan of the United States and Mr Gorbachev would meet at a Summit in Geneva in November 1985. The United States was concerned that public expectations about the results of this meeting should not be excessively high.

In a brief discussion, it was noted that the early announcement of the Summit meeting would make it harder to dampen expectations. President Mitterrand of France would be likely to exploit commercially and politically the visit of Mr Gorbachev to France in October 1985, which was likely to be the latter's first visit to the West since he became General Secretary of the Communist Party of the Soviet Union.

The Cabinet -

Took note.

COMMUNITY  
AFFAIRS

---  
European  
Council,  
28-29 June

5. THE PRIME MINISTER said that the meeting of the European Council in Milan on 28-29 June had been the worst chaired international meeting she had attended. The United Kingdom's own position had been very well prepared. She had met the Federal German Chancellor, Herr Kohl, at Chequers on 18 May, had let him have the United Kingdom's proposals for an agreement on political co-operation, improved decision-making and the completion of the internal market, and had sought his views in confidence. These proposals had then been given to the French and, about two weeks before the European Council, had been circulated to all member states by the Foreign and Commonwealth Secretary at the informal meeting of Foreign Ministers. They had been generally well received. The French President, Monsieur Mitterrand, had said to her that he was not in favour of deferring decisions to an intergovernmental conference. One day before the European Council, however, the Federal Republic of Germany, with French support, had announced their proposal for a Treaty of European Union. Apart from the new title this was almost verbatim the United Kingdom's text on political co-operation, except that it was

slightly weaker on one or two points and that a proposal for a Secretary-General for political co-operation had been added. Nonetheless, the discussions on the first day of the European Council had been satisfactory. France had taken almost the same line as the United Kingdom on decision-making and on the European Parliament, despite the wish of some member states, including the Federal Republic of Germany, to give more powers to the European Parliament. At a separate meeting of Foreign Ministers, eight member states had been broadly in support of the United Kingdom's approach, with only two - Italy and Belgium - strongly opposed. Luxembourg, as the next Presidency, had been particularly keen to avoid an illusion at Milan followed by a collapse at Luxembourg. On the internal market there was support for the United Kingdom's view that the European Council should set priorities and that other questions, including tax harmonisation, should be remitted for further study. On technology there was a wide measure of agreement that the emphasis should be on collaboration between companies themselves, and there was a favourable reception for the United Kingdom's idea that the products of such collaboration should have a guarantee of equal access to public purchasing within the Community. On the second day the secretariat had circulated a reasonable Presidency text of draft conclusions. Discussion in the European Council, however, had concentrated on a new Franco-German text and later, in considerable confusion, on a compromise text on decision-making. The Italian Presidency, having concentrated all the attention on to the question whether there was to be an intergovernmental conference, called a vote of Heads of Government whether there should be such a conference under Article 236 of the Treaty. Seven member states were in favour and three - the United Kingdom, Denmark and Greece - were opposed. Article 236 dealt with conferences for the purpose of amending the Treaty. There was no formal proposal before the Council but the Commission had indicated that it considered that Articles 57(2) and 100 should be amended to provide for decisions by qualified majority. The Federal German Chancellor had immediately rejected an earlier suggestion by the Commission that Article 99, which dealt with tax harmonisation, might be amended. In the difficult and confused situation, decisions on immediate action to improve the working of the Community were dropped from the conclusions. The conclusions on the internal market and in most respects on technology, however, were satisfactory, as was the continued support for United Kingdom views on political co-operation.

In discussion it was said that the new Luxembourg Presidency would be likely to take a more realistic approach. The United Kingdom had put forward practical proposals for decision there and then, and in the end agreed decisions would only be possible broadly on the lines we had suggested. It was, however, a matter of concern that France and the Federal Republic of Germany seemed determined to exclude the United Kingdom from their close relationship. While the substance of French proposals was very similar to those of the United Kingdom, France was always ready to present itself as being ready to move more quickly towards European Union and this was an attractive element for the Federal Republic of Germany. In reality, the United Kingdom wished to move faster than many other member states on the completion of the



internal market, and those member states were ready to retain restrictions on, for example, lorry traffic, shipping, air fares and insurance. When there was talk of a two-speed Europe, it was important that it should be seen that on such substantive matters the United Kingdom was in the fast lane.

Trade with Japan

THE SECRETARY OF STATE FOR EUROPEAN AND COMMONWEALTH AFFAIRS said that the European Council on 28-29 June had unanimously endorsed the Community's approach on trade with Japan. The President of the Commission, Monsieur Delors, would be putting this view firmly to the Japanese Prime Minister, Mr Nakasone, when he visited Europe later in July.

Previous Reference: CC(85) 21st Conclusions, Minute 3

The Cabinet

Took note.

ECONOMIC AFFAIRS

Unemployment

6. THE SECRETARY OF STATE FOR EMPLOYMENT said that the unemployment figures for June would show a fall of 62,000 in the headline total and a fall of 7,000 in the seasonally adjusted figure. The number of vacancies had risen. It would be imprudent to build excessive optimism on the basis of figures for a single month; nonetheless, this had been a good month. The rise in the seasonally adjusted figure of vacancies had been the largest since August 1979. Only in one other month (April 1984) since November 1979 had there been a rise in this figure. There was other evidence of improvement from the slowing-down of redundancies and the fall in short-time working.

The Cabinet -

Took note.

NORTHERN IRELAND AFFAIRS

The Marching Season

Previous Reference: CC(85) 22nd Conclusions, Minute 3

7. THE SECRETARY OF STATE FOR NORTHERN IRELAND said that the season of marches, involving a very large number of events, was now in full swing in Northern Ireland. Tension in the province was increasing, partly following the election of a number of Sinn Fein local councillors and partly because of Unionist apprehensions about talks between the British and Irish Governments. Most of the parades were peaceful and presented no difficulty. But, following his ban of a march planned on 27 June at Castlewellan by the Democratic Unionist Party (DUP), there had been scuffles between the Royal Ulster Constabulary (RUC) and supporters of Mr Ian Paisley, the leader of the DUP. At Portadown, a parade was planned on 7 July and two more the following weekend. In these cases, it was not a question of banning the marches. But Sir John Hermon, the Chief Constable of the RUC, whose responsibility it was to deal with

CONFIDENTIAL

questions concerning the routes taken by marches, would need to decide whether to adhere to the decisions he had taken to re-route the marches in order to avoid the overwhelmingly Roman Catholic area known as the "Tunnel", which was likely to prove a flashpoint, or to make some compromise in the hope of avoiding violent collisions between Unionists and the RUC. It was most important that this decision should be seen to be taken by the RUC, since Mr Paisley had been putting about rumours that restrictions on marches were being imposed as a result of pressure from the Irish Government during the talks between British and Irish officials about a possible agreement concerning aspects of affairs in Northern Ireland.

The Cabinet -

Took note.

PRESENTATION OF CANDLE-STICKS

CONFIDENTIAL

8. THE PRIME MINISTER drew attention to the two new silver candlesticks which were standing upon the Cabinet table. She said that the candlesticks had been presented by the United States Administration to commemorate the 200th anniversary of the opening of diplomatic relations between the United Kingdom of Great Britain and the United States of America in 1785. They were replicas of those that had been on the table when the Treaty of Paris, which had ended the American War of Independence, had been signed in 1783. She was in no doubt that the right place for these candlesticks was on the Cabinet table, on either side of the candlestick which had belonged to the Earl of Chatham who had declared that the United States of America would never be defeated. If her colleagues agreed, she proposed to write to the President of the United States to record the Cabinet's warm appreciation of this gift.

The Cabinet -

Took note, with approval, that the Prime Minister would write to the President of the United States to convey their warm appreciation of and gratitude for the presentation of the candlesticks to which the Prime Minister had drawn their attention.

Cabinet Office

4 July 1985

CONFIDENTIAL