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CC(85) 16th
Conclusions

COPY NO 74

CABINET

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

THURSDAY 25 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 Viscount Whitelaw
Lord President of the Council

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Affairs

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

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer

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

The Rt Hon Peter Walker MP
Secretary of State for Energy

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 the Environment

The Rt Hon John Biffen MP
Lord Privy Seal

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

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

The Rt Hon Tom King MP
Secretary of State for Employment

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

The Rt Hon Peter Rees QC MP
Chief Secretary, Treasury

The Rt Hon Nicholas Ridley MP
Secretary of State for Transport

The Rt Hon Douglas Hurd MP
Secretary of State for Northern Ireland

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

The Rt Hon Sir Michael Havers QC MP
Attorney General (Item 6)

The Rt Hon John Wakeham MP
Parliamentary Secretary, Treasury

SECRETARIAT

Sir Robert Armstrong
Mr D F Williamson (Items 2-5)
Mr C L G Mallaby (Items 2-6)
Mr C J S Brearley (Item 1)
Mr S B Hickson (Item 1)

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PARLIAMENTARY
AFFAIRS

1. The Cabinet were informed of the business to be taken in the House of Commons in the week beginning 21 October 1985 following the Summer Adjournment. The House of Commons would also sit in the week beginning 28 October and it was expected that the new Session would be opened on Wednesday 6 November.

Top Salaries
Review Body

THE PRIME MINISTER said that the Cabinet would wish to thank the Chief Whip for his efforts in connection with the debate on the draft Lord Chancellor's Salary Order 1985 on 23 July. There was no doubt that Cabinet had taken the right decisions on the report of the Top Salaries Review Body even if they had not fully foreseen the volume of protest to which they had given rise.

Previous
Reference:
CC(85) 25th
Conclusions,
Minute 4

THE LORD PRESIDENT OF THE COUNCIL said that the draft Order was to be debated in the House of Lords on Monday 29 July.

Statement:
Okehampton
By-pass

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that he understood that a statement was to be made that day about the Government's intention to introduce a Confirmation Bill for the southern route for the proposed Okehampton By-pass. He agreed with the underlying decision but it would be fiercely contested by conservation interests, and it might be better to postpone a statement for the time being.

THE SECRETARY OF STATE FOR TRANSPORT said that debate about a by-pass for Okehampton had been going on for over 20 years. If a decision was not taken now in favour of the southern route it was his judgment that any by-pass for Okehampton was unlikely to be built much before the end of the century. The by-pass was important for the local economy; there was great pressure locally for the issue to be decided, and a large majority of those Conservative backbenchers who had expressed a view were in favour of the southern line. The announcement would be controversial, and the subsequent Bill would no doubt be vigorously opposed by conservation interests; but he saw nothing to be gained from delay.

THE PRIME MINISTER, summing up a brief discussion, said that the Cabinet agreed that action on a by-pass for Okehampton should not be further delayed, that the proposed statement should be made before the Recess, and a Confirmation Bill introduced subsequently. The Bill would be a Government Bill, subject to whipping. It would, however, be likely to have a difficult passage, particularly in the House of Lords.

The Cabinet -

1. Invited the Secretary of State for Transport to proceed in accordance with the Prime Minister's summing up of the discussion.

Statement:
Rate Support
Grant
Settlement
1986-87

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that he would be announcing that afternoon the main decisions on the rate support grant settlement for England for 1986-87. The decision to abolish targets and their associated penalties responded to pressure over several years, especially from Government supporters in the shire counties and low-spending authorities, and should be widely welcomed. He would be emphasising, however, that it had only been possible to take this decision because rate limitation was available to restrain the expenditure of the high-spending authorities and that the settlement was nonetheless a tough one using block grant pressures.

THE PRIME MINISTER, summing up a brief discussion, said that it was important to put over both these points strongly. The fact that the abolition of targets was what many authorities, including Government supporters, had been pressing for for some time should not be over-emphasised. The settlement would not be universally popular; it would have a particularly severe effect on some councils which had only come under Conservative control in recent years and where it had not yet been possible to bring the legacy of previous high-spending completely under control. The precise effect in these and other cases would, however, depend on the details of the settlement which would not be decided until later that year.

The Cabinet -

2. Invited the Secretary of State for the Environment to be guided by the Prime Minister's summing up of the discussion

FOREIGN
AFFAIRS

India

Previous
Reference:
CC(85) 19th
Conclusions,
Minute 2

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that the agreement reached on 24 July between the Indian Prime Minister, Mr Rajiv Gandhi, and the President of the Sikh Akali Dal Party, Sant Harchand Singh Longowal, to end the crisis in the Punjab was a very considerable achievement. The major difficulty had been to overcome the Sikh leader's unwillingness to engage in compromise and thus to rise disagreement with the extremists in his party. There was a good chance that the agreement would be effective, despite the risk of extremist actions to sabotage it.

The Cabinet -

1. Took note.

Sikh Sports
Tournament
in the
United
Kingdom

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Sikh Asian Games were due to take place from 26 to 28 July at West Bromwich and other locations in the Birmingham area. This year's games had been named in honour of the two alleged assassins of the former Prime Minister of India, Mrs Indira Gandhi. The Indian High Commission in London had approached the Foreign and Commonwealth Office and the Home Office about the matter and had said that the naming of the games in this way was a serious insult to India. The Foreign and Commonwealth Secretary proposed that approaches should urgently be made to the Members of Parliament for constituencies in the area where the games would take place, to the local authority there, and to the University of Aston in Birmingham, where the hockey tournament would take place.

In discussion, the following points were made:

- a. The Government had no power under law to order cancellation of the games. This was most regrettable, since the naming of the games for Mrs Gandhi's alleged assassins amounted to an expression of approval for murder. It would cause deep offence in the United Kingdom as well as in India.
- b. Given that the event could not be banned, the right approach would be to use every possible means to secure the withdrawal of the naming of the games for Mrs Gandhi's alleged assassins. The leaders of the Sikh community should be told in no uncertain terms that such naming of the games was repugnant to the Government and to British opinion. It was possible that some of the people indirectly involved, such as the Vice-Chancellor of the University of Aston and the Chairman of Sandwell District Council, were not aware that the persons for whom the games had been named were in fact the alleged assassins.
- c. The games had not so far attracted publicity. Efforts by the Government to secure the withdrawal of the naming of the games for the alleged assassins could stimulate publicity. On the other hand, it was in the Government's interest that its efforts to secure a change in the offensive naming of the games should receive publicity. Such publicity should help in particular to show the Indian Government that everything possible had been done to secure a change.
- d. While the Indian Government understood the difficulties arising from the British legal system with regard, for instance to deportation of Sikhs to India, it could not understand why the British Broadcasting Corporation (BBC) sometimes paid favourable attention in its broadcasts to the activities of Sikh dissidents in

the United Kingdom. The Government should therefore try to ensure that the BBC did not pay great attention to the Sikh Asian Games.

THE PRIME MINISTER, summing up the discussion, said that urgent approaches should be made to Sandwell District Council, the University of Aston, the leaders of the Sikh community and other individuals who might have influence in the matter, in order to secure the withdrawal of the naming of the games for Mrs Gandhi's alleged assassins. High level approaches should also be made to the BBC and the other radio and television news organisations in the United Kingdom about the undesirability of major publicity for this matter.

The Cabinet -

2. Invited the Home Secretary and the Secretary of State for Education and Science to arrange for action to be taken in accordance with the Prime Minister's summing up of the discussion.

Sri Lanka

Previous Reference: CC(85) 18th Conclusions, Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that talks between the Government of Sri Lanka and the political parties representing the Tamil community had moved forward reasonably well, with the help of the Prime Minister of India, Mr Rajiv Gandhi. The Prime Minister had sent a message to the President of Sri Lanka, Mr Jayewardene, about British participation in the Samanala Wewa Dam project. President Jayewardene seemed to misinterpret Indian support for the current talks with the Tamil parties as giving him a breathing space. The United Kingdom should help to keep up the pressure on the President to seek early results from the talks.

South Africa

Previous Reference: CC(85) 24th Conclusions, Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that violence was continuing in South Africa. Since the declaration of the state of emergency on 20 July, some 450 people had been detained. The South African Government would no doubt keep control of the situation, but there would be no progress regarding the problems of the country unless the Government also took measures to deal with the complaints of the black majority. The Foreign Ministers of the ten member states of the European Community had issued a strong statement on 22 July about the situation in South Africa. It had been implicit in the statement that continued economic involvement in South Africa, rather than disengagement, was a useful influence for change; the Code of Conduct for European firms with subsidiaries in South Africa was a good example of what could be done. Despite the agreed statement by the ten European Governments, France had now announced, without even informing the United Kingdom, that it would withdraw its Ambassador from South Africa and ban new investment there. France had also called for a meeting later that day of the United Nations Security Council, and had put forward a draft resolution which

would call, though not in mandatory terms, for a ban on new investment in South Africa, a ban on the import of Krugerrands, suspension of export credit guarantees for South Africa, a ban on new contracts with South Africa in the civil nuclear field and a ban on the sale of computers and software which could be used by the security forces in South Africa. The Canadian Government appeared to be moving in the same direction as France. There was a major risk that the African members of the Security Council would seek to amend the French draft resolution to make it mandatory. The United Kingdom Government should seek to avoid sanctions against South Africa, which would bring major economic loss to this country, while also avoiding isolation on this matter and the appearance of being less critical of apartheid than other Western countries. This would require continued close contact with the United States; the position of the Administration was very similar to the British Government's position, although the pressures in the United States Congress for sanctions against South Africa had greatly increased. There would be a majority in the United Nations Security Council for a resolution about sanctions against South Africa; the questions were what that resolution would contain and whether, if the United Kingdom had to veto it, she would do so alone or in company with the United States.

Ethiopia

Previous
Reference:
CC(85) 25th
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Minister of State, Foreign and Commonwealth Office (Minister for Overseas Development) had been in Ethiopia from 16 to 19 July. He had discussed the Royal Air Force's airlift involving Hercules aircraft fully with the Ethiopian Government and others concerned. He had argued for the extension of the airlift until the end of 1985. The build-up of road transport in Ethiopia had taken place more slowly than had been expected, and some areas remained inaccessible by road. The Government's decision to maintain the airlift until the end of the year had been announced in the House of Commons on 22 July. By the end of 1985 the airlift would have cost the Government about £21 million; since 1982 the Government had provided £70 million in famine relief to Ethiopia.

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Hong Kong
Previous Reference:
CC(85) 1st Conclusions,
Minute 3

THE FOREIGN AND COMMONWEALTH SECRETARY said that the first meeting of the Sino-British Liaison Group, set up under the Agreement on the Future of Hong Kong of 1984, was taking place in London. The atmosphere was good. Agreement had been reached rapidly on the Group's working procedures.

European Defence Equipment Collaboration
Previous Reference:
CC(85) 25th Conclusions,
Minute 2

THE SECRETARY OF STATE FOR DEFENCE said that the situation in the five-power talks about the project for a European Fighter Aircraft (EFA) remained much as it had been the previous week. A great deal of discussion was taking place. The Federal Republic of Germany had made a new proposal for an aircraft specification marginally different from that sought by the United Kingdom. The French position on the aircraft specification had altered considerably, but there was still a gap between it and the majority position among the five countries concerned in the project. The Secretary of State for Defence said that he would keep his colleagues informed of the discussions and would consult them, as necessary, on the terms which might emerge for proceeding to the Project Definition phase of an EFA.

United States Strategic Defence Initiative

THE SECRETARY OF STATE FOR DEFENCE said that he had had a good meeting with the United States Secretary of Defense, Mr Caspar Weinberger, on 22 July about British participation in Strategic Defence Initiative (SDI) research. He had put forward a proposal which was more comprehensive than the Americans had seemed to expect. But the initial American reaction had been fairly receptive. The United States side was now considering a British draft of the terms of reference for a study, to be concluded in October 1985, about the scope and arrangements for British participation in SDI research.

The Cabinet -

- 3. Took note.

COMMUNITY AFFAIRS

Intergovernmental Conference

3. THE FOREIGN AND COMMONWEALTH SECRETARY said that the Council of Ministers (Foreign Affairs) on 22-23 July, following up matters arising from the European Council in Milan, had now decided how the intergovernmental conference was to be handled. The conference would be at Foreign Minister level. The first meeting would be on 9 September. Later meetings would normally be set up immediately before or after the meetings of the Council of Ministers (Foreign Affairs). There would be two preparatory groups. Work on political co-operation would be prepared, as the United Kingdom had proposed, by the Political Directors

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on the basis of the United Kingdom and Franco-German drafts. Other issues would be dealt with by a separate group, which was expected to be at official level. Precise proposals for treaty amendment were still awaited. It was satisfactory that the Luxembourg Foreign Minister, Monsieur Poos, who would be the Chairman of the conference, was taking a realistic line and had handled the preparatory discussion well.

Terrorism

THE FOREIGN AND COMMONWEALTH SECRETARY said that he was satisfied with the declaration on terrorism which had been made by the Council of Ministers (Foreign Affairs) on 22-23 July. This broadly followed the United Kingdom's own approach.

Trade,
Including
Textiles and
Steel

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Council of Ministers (Foreign Affairs) on 22-23 July had agreed the Community's line for discussions in the General Agreement on Tariffs and Trade (GATT) on the future of the Multi-Fibre Agreement on textiles. The Council had accepted that the Agreement needed to be renewed but that there should be progressive liberalisation in the light of the proposed new round of trade negotiations in the GATT. On steel there were serious difficulties with the United States over their imports of certain steel products from the Community. The United States were seeking to impose restrictions and no agreement had been reached, nor would the United States give any undertaking that they would not extend restrictions to semi-finished steel products.

In discussion it was pointed out that the proposed United States' restrictions on steel imports posed wider risks to trade, which would be harmful both to the United States themselves and to the United Kingdom. The United States should be made aware that, if they were to take restrictive action on imports of semi-finished steel products, this would be damaging to the United Kingdom Government.

The Cabinet -

Took note.

INDUSTRIAL
AFFAIRS

Acorn
Computers

4. THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that it had seemed likely at one time that Olivetti would withdraw their support for Acorn Computers. Following tough discussions, however, Olivetti had agreed to continue this support. A favourable reference by Ministers to this action would be helpful. In discussion the strong and effective line taken by the Secretary of State for Trade and Industry in the discussions with Olivetti was welcomed.

Confederation
of British
Industry
Survey of
Industrial
Trends

THE CHANCELLOR OF THE EXCHEQUER said that a survey by the Confederation of British Industry, to be published the following week, would probably show some reduction in business orders and optimism. It should be noted, however, that these surveys were subject to a seasonal pattern and that some downturn was not unexpected in a July survey. In discussion it was said that the next set of monthly United Kingdom trade figures would be less good than those of the previous month. Not too much stress should be put on a single month's results. Overall the current account remained in surplus, and the trend was satisfactory.

The Cabinet -

Took note.

HOME
AFFAIRS

Acceptance
in lieu

5. THE CHANCELLOR OF THE DUCHY OF LANCASTER said that he had reached agreement with the Chief Secretary, Treasury, that the cost of accepting major works of art in lieu of tax would be met in future from the reserve. This decision would be welcomed by all those concerned with the United Kingdom's cultural heritage, and would be seen as a better method of reducing the risk that art collections and works of national value in this country might be scattered or sold overseas.

The Cabinet -

Took note.

NORTHERN
IRELAND
AFFAIRS

Previous
Reference:
CC(85) 23rd
Conclusions
Minute 7

6. The Cabinet considered a memorandum by the Secretary of State for Foreign and Commonwealth Affairs and the Secretary of State for Northern Ireland (C(85) 20) dated 23 July. Their discussion and the conclusions reached are recorded separately.

Cabinet Office

25 July 1985

SECRET

SIR ROBERT ARMSTRONG
(BOUND VOLUME)

SECRET

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CABINET

LIMITED CIRCULATION ANNEX

CC(85) 26th Conclusions, Minute 6

Thursday 25 July 1985 at 10.00 am

NORTHERN
IRELAND
AFFAIRS

THE PRIME MINISTER said that the talks at official level with the Irish Government, authorised by the Cabinet in February 1984, had reached the stage where a draft agreement had been prepared. The state of play in the talks was described in the memorandum by the Foreign and Commonwealth Secretary and the Secretary of State for Northern Ireland (C(85) 20) of 23 July, to which the draft agreement was appended.

THE SECRETARY OF STATE FOR NORTHERN IRELAND, introducing the joint memorandum, said that the core of the proposed agreement was that the Irish Republic would have a consultative role in relation to a range of Northern Ireland affairs, but decision-making would remain in British hands. The United Kingdom Government would seek to use the machinery set up for consulting the Irish Government in order to obtain much more systematic co-operation with the Irish Republic on security matters. The main potential benefits of an agreement on the lines proposed were that it should provide a prospect on the one hand of greater effectiveness in the fight against terrorism and on the other hand of unfeeling attitudes of the nationalist minority to the institutions of government in Northern Ireland and thus reducing the reluctance of the minority to participate in political life. He judged that the agreement went about as far as it could be prudent to go: not much further concession should be made to the Irish Government, for instance regarding the question of joint courts or regarding the Royal Ulster Constabulary (RUC) or the Ulster Defence Regiment (UDR). The unionist reaction to an agreement on the lines proposed would be very negative; but his present judgment was that it should be manageable. If that judgment were to alter before the time came to sign an agreement, the matter would have to be reconsidered. It was important that opposition to an agreement should be channelled as far as possible into Parliament. The first meeting of the Intergovernmental Commission to be established by the agreement should not be held until Parliament had approved the agreement. An agreement on the lines proposed could be of substantial benefit to Northern Ireland, especially through its long-term effects. But it was not a solution to the problem of Northern Ireland; it would be only a step forward, and there was a risk that the international reactions to it, notably in the United States, could overestimate its importance. The Government should therefore present an agreement in public in modest terms.

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THE FOREIGN AND COMMONWEALTH SECRETARY said that during the negotiations the arrangements sought by the Irish Government had been greatly scaled down. The proposed agreement did not involve any kind of joint authority. On the other hand, it did include good features from the British point of view, notably concerning the status of Northern Ireland and the prospect of improved co-operation with the Irish Republic over security. He agreed that the first meeting of the Intergovernmental Commission should take place only after Parliament had considered the agreement. He also agreed that it would be important to present the agreement modestly, so that it was not seen internationally as more important than it was. On the other hand, failure to achieve an agreement would have a serious effect on the United Kingdom's international image. This applied especially in the United States, where support for the Irish Northern Aid Committee (NORAID) could grow again.

In discussion the following points were made -

- a. The Official Unionist Party would probably seek to focus its protests at an Anglo-Irish agreement in the Parliamentary channel. Mr Ian Paisley of the Democratic Unionist Party might well try to destroy an Anglo-Irish agreement. To do so, he would need to unite unionist opinion, which would nowadays be difficult. The most dangerous development would be industrial action, which Mr Paisley might try to organise. He had failed with this method in the late 1970s, and the workforce today was less politicised and less likely to react violently to an agreement. The Government had contingency plans for dealing with strikes, and experience suggested that a determined Government could defeat strikes in Northern Ireland. The later an agreement was signed in the year, the nearer the possible period for strikes would be to Christmas, and the harder it would be for Mr Paisley to mount them successfully. If, however, (as was possible) unionist reactions to an Anglo-Irish agreement were much stronger than presently foreseen, and the Government came to the view that the reaction would not be containable, the agreement would have to be reconsidered.
- b. The question of joint courts was particularly difficult. The Government had made it absolutely clear to the Irish authorities that we could not agree to the principle of establishing joint courts; the furthest we could go was to agree that the new Intergovernmental Commission should consider the possibility of establishing joint courts. But the difficulties and objections that could be foreseen made it unlikely that such consideration would lead to the establishment of joint courts. No further concession on this matter could be made to the Irish. There was indeed a danger that if the agreement provided for consideration of the possibility of establishing joint courts, that could give an over-encouraging impression of the likelihood of the British Government being able to agree to their establishment. Moreover, reference to joint courts in the agreement could be a spark that would ignite loyalist violence in reaction to an agreement. From

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this point of view, it would be preferable to have no reference to joint courts in the agreement. On the other hand, the Irish Government, and the Taoiseach personally, attached great importance to joint courts and had not yet been brought to agree that the wording on the subject presently in the draft agreement was sufficient. It was most improbable that the Irish Government would conclude the agreement if the British Government insisted on having no reference in it to joint courts. It might be possible in the Intergovernmental Commission to explore without commitment the question of what actually constituted a joint or mixed court. The wording on joint courts presently in the agreement might also be reconsidered.

c. To refuse a unionist call for the recall of Parliament would risk channelling on to the street unionist reactions to an agreement and stimulating criticism more widely in Parliament. On the other hand, to recall Parliament early would pose major problems for the business managers. It would be greatly preferable, therefore, for the agreement to be signed at a time when Parliament in its normal course of business could debate it. An Anglo-Irish Summit to sign an agreement might be fitted into the Prime Minister's diary between 24 and 31 October 1985.

d. The difficulty in delaying signature of an agreement until October was that rumour and speculation would proliferate, making it difficult to hold the agreement together. This difficulty might be reduced if an interim statement about the negotiations was made by the Secretary of State for Northern Ireland; but such a statement could, unless very carefully worded, send the wrong signals.

e. The Opposition in the Irish Parliament would no doubt denounce an Anglo-Irish agreement on the lines proposed as a sell-out to the British. But the Taoiseach and the Irish Foreign Minister would present the agreement as a step forward, and majority opinion in the Irish Republic would be likely to accept this. The Irish Government would not sign the agreement unless it was satisfied that the Social Democratic and Labour Party (SDLP) in Northern Ireland would endorse it. SDLP endorsement was also important from the British point of view: the Irish Government's behaviour in the Intergovernmental Commission would be greatly influenced by the SDLP, and the Irish Government might even withdraw from the Commission unless the SDLP was satisfied with the Commission's performance.

f. Any steps concerning the RUC or the UDR, which the United Kingdom might take in the context of concluding an agreement with the Irish Republic, should be justified on their merits and not on presentational grounds alone.

SECRET

g. Paragraph 3 of the text for an agreement should be clarified: the final clause - "as set out in this agreement" - should come earlier in the paragraph, to follow more or less directly the word "deal".

h. The risk of concluding an agreement on the lines proposed was that the present situation of relative stability in Northern Ireland might turn into one of conflict. On the other hand, the proposed agreement presented significant advantages, notably in the security field, and on balance it seemed worth taking the risk involved. The alternative of not proceeding with the agreement would leave the Government with the depressing option of maintaining direct rule, while trying to make it more palatable in Northern Ireland, and continuing the very expensive struggle against the terrorism of the Provisional Irish Republican Army.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet considered on balance that the Government should seek to conclude an agreement on the lines proposed, subject to developments on the ground in Northern Ireland and provided that there was a good prospect that the SDLP would support it and support the Irish Government in carrying out the provisions of the agreement. The wording concerning the question of joint courts in the proposed agreement should be further considered in the light of the discussion. The Cabinet should discuss the proposed agreement again before it was signed. Signature should take place while Parliament was sitting, so that the reactions of the unionists might be focused in the Parliamentary channel. Talks with the Irish Government at official level should meanwhile be pursued. Careful thought should be given to the public presentation of an agreement.

The Cabinet -

Invited the Prime Minister, the Foreign and Commonwealth Secretary and the Secretary of State for Northern Ireland:

- a. to be guided accordingly in further negotiations with the Irish Government;
- b. to bring the proposed agreement back for further consideration by the Cabinet before it was signed.

Cabinet Office

26 July 1985