

SECRET

B✓

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

CC(85) 30th
Conclusions

COPY NO

74

CABINET

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

THURSDAY 31 OCTOBER 1985

at 10.30 am

P R E S E N T

The Rt Hon Margaret Thatcher MP
Prime Minister

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 Nigel Lawson MP
Chancellor of the Exchequer

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 Norman Fowler MP
Secretary of State for Social Services

The Rt Hon Tom King MP
Secretary of State for Northern Ireland

The Rt Hon Nicholas Ridley MP
Secretary of State for Transport

The Rt Hon Kenneth Baker MP
Secretary of State for the Environment

The Rt Hon Lord Hailsham of St Marylebone
Lord Chancellor

The Rt Hon Leon Brittan QC MP
Secretary of State for Trade and Industry

The Rt Hon Douglas Hurd MP
Secretary of State for the Home Department

The Rt Hon Michael Heseltine MP
Secretary of State for Defence

The Rt Hon John Biffen MP
Lord Privy Seal

The Rt Hon Norman Tebbit MP
Chancellor of the Duchy of Lancaster

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

The Rt Hon Lord Young of Graffham
Secretary of State for Employment

The Rt Hon Kenneth Clarke QC MP
Paymaster General

The Rt Hon John MacGregor MP
Chief Secretary, Treasury

SECRET

THE FOLLOWING WERE ALSO PRESENT

Sir Patrick Mayhew QC MP
Solicitor General (Item 5)

The Rt Hon John Wakeham MP
Parliamentary Secretary, Treasury

SECRETARIAT

Sir Robert Armstrong
Mr D F Williamson (Items 2-4)
Mr C L G Mallaby (Items 2-4 and 5)
Mr A J Langdon (Item 1)
Mr R Watson (Item 1)

C O N T E N T S

Item	Subject	Page
1.	PARLIAMENTARY AFFAIRS	1
	State Opening of Parliament	1
2.	FOREIGN AFFAIRS	
	South Africa	2
	Arms Control	3
	United Kingdom Participation in Strategic Defence Initiative	4
	Channel Fixed Link	4
3.	COMMUNITY AFFAIRS	
	Trade: United States' Views	5
	Intergovernmental Conference	5
	Import Tariff Reduction ("Rollback")	5
	Steel	6
	Agriculture	6
4.	HOME AFFAIRS	
	Unemployment Figures	6
	Liverpool	6
5.	NORTHERN IRELAND AFFAIRS	7

CONFIDENTIAL

PARLIAMENTARY
AFFAIRS

1. THE PRIME MINISTER said that the Cabinet would wish to congratulate the business managers in both Houses on the way in which the legislative programme had been brought to a successful conclusion, with all the major Bills enacted.

The Cabinet -

1. Congratulated the business managers on the successful completion of the Parliamentary Session.

State
Opening of
Parliament

THE LORD PRIVY SEAL said that the State Opening of Parliament would take place on 6 November and would be followed by the customary six days of debate on The Queen's Speech. The subjects for debate were to be chosen by the Opposition and were not yet available, but would follow a predictable pattern. He hoped that it would be possible for the Chancellor of the Exchequer to make his Autumn Statement on the economy before the day's economic debate took place.

The Cabinet -

2. Took note.

CONFIDENTIAL

FOREIGN
AFFAIRS---
South AfricaPrevious
Reference:
CC(85) 28th
Conclusions,
Minute 1

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that the discussion of South Africa had been the central feature of the Commonwealth Heads of Government Meeting (CHOGM) in the Bahamas from 16 to 22 October. The Prime Minister had faced an extremely difficult task and the Commonwealth Accord on South Africa, which had resulted from the discussion, had been a major achievement. It expressed a position far nearer to British views than might have been expected. The decision on measures against South Africa had accorded with the position already adopted by the United Kingdom jointly with the other members of the European Community, with the addition of two measures: to preclude so far as possible the import of Krugerrands and to preclude Government funding for trade missions to South Africa or for participation in exhibitions and trade fairs in South Africa. A Commonwealth Group of Eminent Persons was to be appointed by seven Governments and the Commonwealth Secretariat, to promote the process of dialogue in South Africa on the basis that it was for the people of that country to determine their future. After six months, the seven Governments concerned were to meet to assess what had been achieved.

Inside South Africa, there was no sign of a reduction in terrorism. The number of incidents was if anything increasing. A group of by-elections on the previous day had produced a swing to the right. A racist party, the Herstigte Nasionale Partjie, had, for the first time, won a seat in Parliament. These election results would make it harder for President Botha to continue with the process of reform. They would also make it harder for the Commonwealth Group of Eminent Persons to produce results. It was important that the Group should produce results, since that would provide the best hope of continued resistance to sanctions.

THE PRIME MINISTER said that the discussion of South Africa at CHOGM had been very tough going, particularly during the weekend "retreat" for Heads of Government. All other members of the Commonwealth had been guided by the view, fashionable in the Commonwealth, that to speak against sanctions was to invite the accusation of supporting apartheid. At the final session of the discussion, President Jayewardene of Sri Lanka had admitted that his country had a preferential arrangement on tea exports with South Africa and had no intention of giving it up. Mr Jayewardene had asked why so many people around the table were being hypocritical. During the discussions the Prime Minister had experienced discourtesy and offensiveness as well as hypocrisy. She had put forward an alternative draft communiqué, embodying what the United Kingdom would wish to say about South Africa, and had made clear that she would be willing to publish this. She had also made clear that she would not agree to any measures without studying them fully. These tactics, in which the Permanent Under Secretary of State, Foreign and Commonwealth Office, had supported her with great skill, had eventually helped to produce an acceptable result. It was a positive feature of the Commonwealth Accord that, at British insistence, it called for an end to violence in South Africa. The choice of the British member of the Group of Eminent Persons would be important, since the other members of the Group might not be seriously interested in progress and were unlikely to secure the co-operation of President Botha. It had proved possible to

save the day on sanctions at CHOGM but the problem would remain and further efforts would be needed.

In discussion, the following points were made -

- a. The opposition of the United States to mandatory sanctions had seemed recently to weaken. But President Reagan and the Secretary of State, Mr George Shultz, had assured the Prime Minister that they had no intention of agreeing to mandatory sanctions. It would be important to continue to seek such assurances from the United States Administration.
- b. President Botha had done more in six months to dismantle apartheid than had been done over more than 20 years previously. Industry in South Africa had played a leading role in the recent relaxations. It would be misguided to harm through economic sanctions the very people who were encouraging change.
- c. The South African economy was probably the strongest in Africa. It would be folly to destroy it. It would also be wrong to harm the educated black middle class which had emerged. The right approach was to encourage their participation in the political process.

Arms
Control

Previous
Reference:
CC(85) 9th
Conclusions,
Minute 2

THE PRIME MINISTER said that she had that morning received a message from President Reagan about the position of the United States on nuclear arms control in advance of the President's Summit meeting with Mr Mikhail Gorbachev, General Secretary of the Communist Party of the Soviet Union, on 19-20 November 1985 in Geneva.

In a short discussion, the following points were made -

- a. There had been a risk that the recent Soviet counter-proposal to the United States on nuclear arms control, which contained imaginative points but was simplistic, could create a public impression that the Soviet Union held the initiative on the subject.
- b. It was noteworthy that President Reagan had been willing to listen to British and European advice on this matter and on various other important occasions. The United Kingdom could play a role in influencing the United States because British commitment to the Alliance was widely recognised in North America and in Europe.
- c. The role of the United Kingdom in influencing United States decisions should not be revealed in public. But the United Kingdom could associate itself fully with the American policies which emerged as a result of British representations.

SECRET

d. There was a prospect that the Government of the Netherlands would shortly announce its decision that cruise missiles could be deployed in that country. The last of the Allies which had agreed in 1979 to accept United States intermediate range nuclear systems would thus be carrying out that decision. This showed that all the Soviet propaganda and all the domestic agitation in Western Europe against the modernisation of intermediate range nuclear forces had been powerless.

United Kingdom Participation in Strategic Defence Initiative

THE SECRETARY OF STATE FOR DEFENCE said that there had been two particular problems in the talks with the United States about the role that the United Kingdom should play in research under President Reagan's Strategic Defence Initiative (SDI). The first had been to ensure that there was a flow of technology to the United Kingdom, which could be exploited in this country. The second had been to ensure that the volume of British participation in SDI research was satisfactory. He had reached agreement ad referendum on these matters with the United States Secretary of Defense, Mr Caspar Weinberger, on the previous day. This agreement foresaw unprecedented arrangements for an exchange of technology which should prove highly advantageous to the United Kingdom and a scale of British participation in SDI research which would be substantial.

Channel Fixed Link

THE SECRETARY OF STATE FOR TRANSPORT said that the British and French Governments would that day be receiving bids from four groups of firms for the construction of a Channel Fixed Link. The two Governments were committed to announce a decision within 100 days. Although there was opposition in the area concerned in Kent, the majority in the United Kingdom probably wanted a link to be built. One of the four bids might be excluded on technical grounds, but it would be difficult to reach a decision as between the other three. He would be consulting colleagues by means of a paper before long.

The Cabinet -

Took note.

SECRET

COMMUNITY AFFAIRS

Trade: United States' Views

3. THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that his recent discussions in Washington indicated that the tide of protectionism, in the United States Congress might have slightly waned. The United States Administration seemed now to believe that it was unlikely that protectionist legislation would obtain a sufficient majority to override the Presidential veto. There was also a reasonable chance that the legislation setting a limit on the Federal budget deficit would succeed. This would be expected to have an effect on interest rates and on the value of the dollar. He had also discussed in Washington specific trade issues such as relations with Japan, negotiations under the General Agreement on Tariffs and Trade (GATT) and the United States' proposal to strengthen their restrictions on imports of steel from the European Community. He had found the United States' negotiating position on steel very tough.

Inter-governmental Conference
Previous Reference: CC(85) 28th Conclusions, Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that it was not yet possible to see the shape of the package which might emerge in the Intergovernmental Conference on possible Treaty amendments. The United Kingdom's tactics of detailed questioning on the various proposals was being successful in limiting both the likely scope of the Conference and undue expectations.

Import Tariff Reduction ("Rollback")

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Council of Ministers (Foreign Affairs) on 22 October had agreed, by a qualified majority against French opposition, to implement one year earlier than planned the tariff reductions agreed by the Community in the Tokyo Round of trade negotiations under GATT. This was a welcome decision in line with United Kingdom objectives.

Finance
Previous Reference: CC(85) 28th Conclusions, Minute 2

THE CHANCELLOR OF THE EXCHEQUER said that the Council of Ministers (Economy and Finance) on 28 October had agreed that, although there would not be an immediate rectifying letter, the Commission should propose an amendment to the Community budget during 1986 to further increase the United Kingdom's rebate. The extra amount, above the provision in the draft 1986 budget of 1,400 million ecu (about £820 million), was currently estimated at about 264 million ecu (about £155 million) but would be known more accurately in 1986. This decision demonstrated that the Fontainebleau agreement was working. The Council had also set in hand some work on adapting the financial guideline under the budget discipline arrangements to take account of the accession of Spain and Portugal. Agreement had been reached in the Council on

directives on unit trusts and similar bodies which would allow them to operate throughout the Community. This was to be welcomed. The President of the Commission, Monsieur Delors, had also indicated to the Council of Ministers his view that the Treaty should be amended to include a reference to the European Monetary System. This had been opposed, in particular, by the Federal Republic of Germany. It was important that discussion of this proposal should be carried forward at this stage, as agreed, in the Council of Ministers (Economy and Finance) and not within the Intergovernmental Conference.

Steel

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that agreement had been reached in the Council of Ministers on 29-30 October on revised arrangements for quotas and restrictions on aid for steel within the Community. There would be a satisfactory increase of 360,000 tonnes in the delivery quota of the British Steel Corporation.

Agriculture

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that the Council of Ministers (Agriculture) on 21-22 October had decided the rate of consumption aid for olive oil - a subsidy - but had not carried very far forward its examination of the perspectives for the common agricultural policy. In discussion it was pointed out that the cost of storing food surpluses was high and increasing. It was regrettable that agricultural support prices in the Community were being kept too high because of opposition to reductions by the Federal Republic of Germany motivated by its internal politics.

The Cabinet -

Took note.

HOME AFFAIRS

Unemployment Figures

4. THE SECRETARY OF STATE FOR EMPLOYMENT said that the latest figures on unemployment were slightly more encouraging. The headline figure would be down by about 69,000 and the seasonally adjusted figure would also be down, by about 4,000. Vacancies were again increased. The better trend was not just a reflection of special schemes. The action announced in the Budget was also now beginning to have an effect.

Liverpool

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that a report about the finances of the City of Liverpool which had been made to the General Secretaries of certain trade unions and to the Leader of the Opposition was helpful. In particular, it stated that the various options did not

CONFIDENTIAL

depend on immediate help from the Government. A proposal was that the rate increase should be an additional 15 per cent about the existing 9 per cent and that recruiting by the local authority should be halted for the present. He did not intend to make any public reaction to this report.

On discussion it was pointed out that this report supported the conclusion that the crisis in Liverpool was an artificial one and that the Government was right not to intervene prematurely.

The Cabinet -

Took note.

5. 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) 15) dated 30 October. Their discussion and the conclusions reached are recorded separately.

NORTHERN
IRELAND
AFFAIRS

Previous
Reference:
CC(85) 26th
Conclusions,
Minute 6

Cabinet Office

31 October 1985

CONFIDENTIAL

SECRET

Sir Robert Armstrong
(Bound Volume)

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

COPY NO

8

CABINET

LIMITED CIRCULATION ANNEX

CC(85) 30th Conclusions, Minute 5

Thursday 31 October 1985 at 10.30 am

THE PRIME MINISTER said that, although negotiations between United Kingdom and Irish officials were continuing on some points, the time had come for the Cabinet to consider the major aspects of the draft agreement which had been negotiated ad referendum. Some of the gains which the Government had sought in the negotiations had not been attained. The Irish Government had declined to repeal Articles 2 and 3 of the Irish Constitution. There would be some improvement in co-operation with the Irish Republic on security matters, but the prospects on this were less clear than they had previously seemed. There was no commitment by the Social Democratic and Labour Party (SDLP) to participate in the process of government in Northern Ireland. On the other hand, the agreement made absolutely clear that all decisions north of the border in Ireland would continue to be taken by the United Kingdom Government. The United Kingdom had conceded nothing significant, apart from the establishment of a framework in which the Irish Republic would have the opportunity to advance views and proposals on various aspects of Northern Ireland affairs. At Irish insistence, there was still a reference in Article 8 of the draft agreement to the possibility of establishing mixed courts in Northern Ireland and in the Irish Republic, but this reference was now very weak and attenuated. The Irish Republic had withdrawn its readiness to announce a decision to accede to the European Convention on the Suppression of Terrorism, but was willing to announce its intention of acceding.

THE SECRETARY OF STATE FOR NORTHERN IRELAND said that the memorandum which he and the Foreign and Commonwealth Secretary had circulated (C(85) 25) showed how the proposals discussed by the Cabinet on 16 February 1984 and 25 July 1985 had since been taken forward. A number of benefits were to be expected from the process of which the proposed agreement was the centrepiece. The agreement could open up the prospect of ending the log-jam in the political processes of Northern Ireland. It would represent a constructive move, helpful to the Government domestically and internationally. The only way to achieve further improvement in the struggle against terrorism in Northern Ireland was to secure much greater co-operation on security matters with the Irish Republic. For the majority community in Northern Ireland, the agreement contained in Article 1 the best undertakings that could be secured on the status of

SECRET

SECRET

NORTHERN
IRELAND
AFFAIRS

Previous
Reference:
CC(85) 26th
Conclusions,
Minute 6

Northern Ireland without running a risk that the agreement would be vulnerable to constitutional challenge in the Irish Republic. For the minority community, it offered a mechanism - the Intergovernmental Conference - through which their point of view could be expressed. The proposed agreement was not an alternative to devolution in Northern Ireland; on the contrary, it was structured to encourage unionists to look more favourably upon devolution, since a number of subjects would be removed by devolution from discussion in the Intergovernmental Conference. It was also probable that the agreement would put pressure on the SDLP to increase its role in Northern Ireland politics since, if they did not, the Irish Republic could become, through the Intergovernmental Conference, the main channel of expression of the political views of the minority and the SDLP could become redundant. There was also a prospect of considerable funds, notably from the United States, for expenditure in Northern Ireland; it was essential that this money should be additional to existing British public expenditure in Northern Ireland, since otherwise it would not be forthcoming.

The issues still under discussion between United Kingdom and Irish officials included the composition and location of the Secretariat of the Intergovernmental Conference. The Irish Government wanted their Secretary to be a very senior official and they wanted the early establishment of the Secretariat in Belfast. Another issue requiring further discussion was the deployment of the Garda in the border areas. So far, the Irish had not undertaken that the increased deployment would be sufficiently extensive or durable. It was essential that the work of the Intergovernmental Conference should not be a one-way street; and one of the most important things that the United Kingdom would require from the Irish Republic in that context would be substantial improvements in co-operation against terrorism, particularly in the border areas.

On present evidence, the best assessment was that the reactions in Northern Ireland to the proposed agreement would be containable. But that could change rapidly, depending in part on how the agreement was presented publicly. The presentation should be low key, describing the agreement as a sensible, not a dramatic, step forward. The Secretary of State for Northern Ireland concluded that on balance the right course was for the Government to embark on the constructive proposals foreseen in the draft agreement, subject to clarification of the remaining points under negotiation.

THE FOREIGN AND COMMONWEALTH SECRETARY agreed that on balance it would be right to proceed with the agreement. The problem of Northern Ireland had troubled successive British Governments and a single agreement could not provide a solution. But the proposed agreement was a step which was likely to help in dealing with the problem over time. It should be seen as putting in place a framework for an evolving discussion with the Irish Republic, in which problems of security, such as policing of the border areas, could play an important role. It would also offer a prospect of bringing the minority in Northern Ireland to involve itself more in the structures of government and should thus undermine support for Sinn Fein and the Provisional Irish Republican Army (PIRA). To abandon the negotiations at this late stage would cause disappointment in Northern

Ireland as well as in the Republic, would weaken the position of constitutional nationalist representatives in Northern Ireland and strengthen that of Provisional Sinn Fein and the PIRA on both sides of the border, and would damage the reputation of the United Kingdom in the United States, particularly among the large and influential Irish American groups.

In discussion a few members of the Cabinet expressed grave reservations about the proposed agreement. The Republic of Ireland was committed by its constitution to be objective of "reintegration" of the "national territory" which was defined as the whole of the island of Ireland. The proposed Intergovernmental Conference could be used by the Irish Government's representatives as a place in which to put forward demands upon the British Government, and as a lever for intruding into the national sovereignty of the United Kingdom. The suggestion that mixed courts were a possibility for consideration, however hedged about, would be seen as confirmation of this, since mixed courts if instituted would be in fact an infringement of sovereignty. The agreement would be seen as the first step in an irreversible process for altering the constitutional status of Northern Ireland as part of the United Kingdom. It would arouse great concern among the unionists in Northern Ireland: the only question was how great and how violent the resulting explosion would be.

Most members of the Cabinet, however, took the view that it would on balance be right to conclude an agreement with the Irish Government on the lines proposed. At this advanced stage, and after a long process of negotiation, to call the negotiation off and abandon the agreement would give rise to a widespread sense of disappointment and would entail risks certainly no less than those inherent in going ahead. There were more positive reasons for proceeding. The changes proposed were institutional not constitutional: the status of Northern Ireland as part of the United Kingdom was fully protected. The declaration on the status of Northern Ireland to which the Irish Government would be committed by Article 1 of the agreement should be a positive reassurance to the unionists that that status could not be changed unless and until a great many more people - including unionists - in Northern Ireland desired that change. The Irish Government would be committed to greater co-operation in combating terrorism. The minority in Northern Ireland would have the reassurance that their views and concerns would be able to be represented in the counsels of the British Government in Northern Ireland as a result of the Irish Government's participation in the Intergovernmental Conference. There were reasons to think that the reactions of unionists to what was no more than a modest development - significantly more modest than the developments agreed at Sunningdale in 1973 - would be containable. The Government would be given credit at home and overseas for attempting a constructive step in a situation of long-standing difficulty and stalemate.

The following points were also made in the course of the discussion -

- a. The mention in Article 1(c) of the draft agreement of the very idea of a united Ireland would give concern to unionists. On the other hand, Article 1(a) and 1(b) made it clear that the status of

Northern Ireland would not be changed without the consent of a majority and that the present wish of a majority was for no change. This should give significant reassurance to unionists. Article 1 should help the Government to convince unionists that there was no question of allowing the start of a gradual process of unification in Ireland.

b. The establishment of mixed courts would be an infringement of sovereignty and the mention of the possibility in Article 8 of the draft agreement could provoke strong unionist reactions. It would be desirable on these grounds to delete all mention of mixed courts from the agreement. On the other hand, the Irish Government had insisted on a mention of mixed courts and the sentence in question had been further attenuated since the Cabinet had last discussed the draft agreement. United Kingdom Ministers and officials had made clear repeatedly to the Irish that the Government saw very great difficulty in the idea of mixed courts and could enter into no commitment about their establishment now or in the future. The relevant sentence in Article 8 of the draft agreement was consistent with this. The Irish side in the negotiations had moreover been informed that the Government would make clear in public, after conclusion of an agreement, that, while they were willing to consider the possibility of mixed courts in the Intergovernmental Conference and did not exclude the possibility of mixed courts being feasible and acceptable at some future time, they could not see any easy or early way through the political and other difficulties.

c. Irish accession to the European Convention on the Suppression of Terrorism would be helpful in the context of extradition of terrorists. It was desirable that the Irish Government should be brought to announce, in the context of conclusion of an agreement, the firmest possible commitment to accede.

d. Increased co-operation with the Irish Republic against terrorism would be one of the principal British aims in concluding an agreement. The Irish should be pressed to give the fullest possible advance commitment on this.

e. The United Kingdom should continue in the Intergovernmental Conference to press for greater cross-border co-operation on security matters.

f. The location of the Secretariat of the Intergovernmental Conference in Belfast would provide a focus for unionist resistance to the proposed agreement. The Secretariat could also be the object of terrorism, notably in the early period after an agreement entered into force. The Irish side should be pressed to agree that the Secretariat should not immediately be established in Belfast. There might be advantage in finding a permanent location for the Secretariat elsewhere in Northern Ireland.

g. Although the reactions in Northern Ireland to an agreement should, on present prospects, be containable, there would be a period of greater difficulty in the early stages. It was essential that the Government should stand firm during such a period of difficulty.

h. Mr Molyneaux of the Ulster Unionist Party and Mr Paisley of the Democratic Unionist Party had suggested to the Prime Minister that, if the proposed agreement was registered at the United Nations and became a binding agreement in international law, it might (since it related to matters wholly within the jurisdiction of the United Kingdom) become subject to United Kingdom law, and thus to judicial review in United Kingdom courts. But the changes foreseen in the agreement were institutional, not constitutional, and their essence was that a framework would be provided in which the Irish Government would be free to put forward views. It was therefore unlikely that the agreement would be subject to judicial review. But this point should be looked into further and the text of the draft agreement should be examined to ensure that any possible risk was eliminated.

i. It would be damaging for the Government's image if the United Kingdom abandoned the negotiations at this late stage. The response in Parliament and in the country to the proposed agreement was likely in general to be positive.

j. It was most important that the contents of the Cabinet's discussion should not leak to the media. In the circumstances of Northern Ireland, it was no exaggeration to say that leaks could cause people to be killed. The media should be told only that the Cabinet had discussed the subject, that there would be further negotiations with the Irish Republic and that there would be a further report to the Cabinet.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet considered on balance that the Government should conclude the proposed agreement with the Irish Republic in essentially its present form, with such improvements, in line with the Cabinet's discussion, as could be secured from the Irish Republic in the final stages of negotiations. The agreement should be presented in public as a modest but useful step forward. It should be signed while Parliament was sitting.

The Cabinet -

1. Decided in principle that an agreement on the lines proposed should be concluded with the Irish Republic in the next few weeks.

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

SECRET

a. to be guided by the Cabinet's discussion in further negotiations with the Irish Government, so as to secure the maximum possible improvements in the texts of the draft agreement and the draft communiqué;

b. to report to the Cabinet before conclusion of the agreement on the further changes secured in the texts.

3. Invited the Solicitor General to consider the risk that the agreement could be subject to judicial review and to inform the Prime Minister, the Foreign and Commonwealth Secretary and the Secretary of State for Northern Ireland of his conclusions.

Cabinet Office

1 November 1985

SECRET