

CC(80) 45th
Conclusions

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CABINET

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

THURSDAY 18 DECEMBER 1980

at 11.00 am

PRESENT

The Rt Hon Margaret Thatcher MP
Prime Minister

The Rt Hon William Whitelaw MP
Secretary of State for the Home Department

The Rt Hon Lord Carrington
Secretary of State for Foreign and
Commonwealth Affairs

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer

The Rt Hon Sir Keith Joseph MP
Secretary of State for Industry

The Rt Hon Lord Soames
Lord President of the Council

The Rt Hon James Prior MP
Secretary of State for Employment

The Rt Hon Sir Ian Gilmour MP
Lord Privy Seal

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment

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 Humphrey Atkins MP
Secretary of State for Northern Ireland

The Rt Hon Patrick Jenkin MP
Secretary of State for Social Services

The Rt Hon Norman St John-Stevas MP
Chancellor of the Duchy of Lancaster

The Rt Hon John Nott MP
Secretary of State for Trade

The Rt Hon David Howell MP
Secretary of State for Energy

The Rt Hon Mark Carlisle QC MP
Secretary of State for Education and
Science

The Rt Hon John Biffen MP
Chief Secretary, Treasury

The Rt Hon Angus Maude MP
Paymaster General

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THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Michael Havers QC MP
Attorney General (Item 1)

The Rt Hon Norman Fowler MP
Minister of Transport

The Rt Hon Michael Jopling MP
Parliamentary Secretary, Treasury

SECRETARIAT

Sir Robert Armstrong
Mr M D M Franklin (Items 2-4)
Mr R L Wade-Gery (Items 2-4)
Mr W N Hyde (Item 1)
Mr D J L Moore (Item 5)
Mr L J Harris (Item 1)
Mr G D Miles (Item 5)

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LIAMENTARY 1. The Cabinet were informed of the business to be taken in the
AIRS House of Commons in the week beginning 12 January 1981.

Departmental
Select
Committees

Previous
Reference:
(80) 7th
Conclusions,
Page 1

THE PRIME MINISTER, summing up a brief discussion, said that the Cabinet noted that the Chairman of the Select Committee on Education, Science and the Arts (Mr Christopher Price MP) was likely to move a Motion on Friday 16 January in pursuit of his campaign for internal departmental documents to be made available to Select Committees. The Chancellor of the Duchy of Lancaster would be seeing both Mr Price and the Chairman of the Liaison Committee (Mr Edward du Cann MP), and would use his best endeavours to avoid the issue becoming a matter of major political controversy. The Cabinet agreed that there could be no question of a concession on the disclosure of confidential advice given to Ministers by officials, which could have serious consequences for the administration of public business, and that, if Mr Price moved such a motion, steps would have to be taken to ensure that it was defeated.

The Cabinet -

1. Took note, with approval.

Statements

Previous
Reference:
(80) 44th
Conclusions,
Page 1

THE CHANCELLOR OF THE DUCHY OF LANCASTER said that in the absence of the Minister of Agriculture, Fisheries and Food, the Secretary of State for Scotland had agreed to make a statement that afternoon on the outcome of the abortive negotiations on the common fisheries policy in Brussels. The Secretary of State for Northern Ireland would be making a statement the following day on the situation created by the continuing hunger strike by certain prisoners in Northern Ireland; to avoid further encroachment on the time available for the adjournment debates on that day, it would be preferable for the Minister of Agriculture not to make his intended oral statement on the current Council of Agricultural Ministers.

The Cabinet -

2. Took note.

British
Nationality

THE CHANCELLOR OF THE DUCHY OF LANCASTER said that it had always been intended that the British Nationality Bill would be introduced into the House of Commons early in January 1981. The Opposition had repeatedly argued that the Bill was a major constitutional

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measure, and should consequently be taken at all stages on the Floor of the House. Although the precedents were not entirely clear, the Government believed that the Bill did not raise fundamental constitutional issues, and need not therefore be taken on the Floor of the House, a course which would gravely disrupt the rest of the legislative programme. A possible way out of this dilemma had been offered during questions on the Business Statement the previous week, when the Shadow Leader of the House had suggested that the Bill might be referred to one of the experimental special standing committees. The Home Secretary was in principle prepared for the Bill to be handled in this way but at Legislation Committee the previous day the Minister of State, Home Office, had been unwilling to agree that the Bill should be published before the Christmas Recess so as to offset at least part of the 28 days which would be devoted to the evidence-taking Sessions under the new procedure, on the grounds that further consideration of the draft Bill was necessary before it was in a fit state for introduction. If the Bill were not published until after the Christmas Recess, and then taken under the special standing committee procedure, it could not in practice reach the House of Lords until the end of June. That would mean that its Committee Stage in the Lords would have to be taken in an extended spillover period, and the advice of the Lord President had been that in these circumstances there would be a significant possibility that the Bill would be lost for the present Session. The view of both the Commons and the Lords business managers at Legislation Committee had therefore been that, in order to be reasonably confident that the Bill could be passed in the current Session, it had to be introduced before Christmas, with the object of sending it to a special standing committee after its Second Reading early in the New Year. The Committee had accordingly agreed that printing of the Bill should proceed with a view to its introduction, subject to the approval of the Cabinet, on Friday 19 December.

THE SECRETARY OF STATE FOR THE HOME DEPARTMENT said that, although he was willing to consider any means for facilitating the passage of the British Nationality Bill, there were very serious political and procedural objections to advancing its publication in the way proposed by the Chancellor of the Duchy of Lancaster. A considerable part of the Bill had been in print for less than a week, and there was a great deal of detailed work still to be done on the present draft. Matters of substance were still under consideration between the Foreign and Commonwealth Office and the Home Office, and the Foreign and Commonwealth Secretary needed a reasonable time to prepare the ground overseas for the publication of the Bill, particularly in Hong Kong, Gibraltar, and the Falkland Islands. If the Bill were to be published in its present state, there was no doubt that it would contain a number of more or less serious mistakes and that up to 40 Government amendments would be required during its

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passage through Parliament. The Government's credibility would suffer and the likely reaction to the more controversial parts of the Bill, both in the United Kingdom and overseas, would be more extreme than it would be with a more orderly approach to publication. He was confident that a properly considered Bill could be ready for introduction in accordance with the original timetable soon after the Christmas Recess, but was not prepared to accept any responsibility for the consequences for the despatch of the Government's business in Parliament or for the Government's credibility of publishing the Bill before the Christmas Recess.

THE LORD PRESIDENT OF THE COUNCIL said that he agreed that the political arguments against publication of the Bill in its existing state were decisive. On the other hand, it had to be accepted that, if there were insufficient time available for consideration of the Bill in the House of Lords, it could well be lost. If the Bill were introduced in the Lords by the Whitsun Recess, it would probably have a good chance of receiving Royal Assent by the end of July. Failing that, introduction by 10 June at the latest should enable the Lords to take the Committee Stage before the Summer Recess, leaving the remaining stages to be taken in a relatively short spillover period. He would be very pessimistic about the Bill's chances of becoming law that Session if it reached the House of Lords after 10 June.

In discussion, it was pointed out that it was doubtful whether the Opposition were in a position to guarantee that Committee Stage could be completed to a voluntary timetable in exchange for the use of the special standing committee procedure. In these circumstances, it might be preferable for the Government to use its majority to commit the Bill to an ordinary standing committee, and, if necessary, to introduce a timetable motion to ensure that the Bill was sent to the House of Lords not later than 10 June. The use of the special standing committee procedure could be resisted on the grounds that the Government had indicated that the procedure would not be used for Bills which were likely to be controversial as between the political parties. The Criminal Attempts Bill could appropriately be selected for the procedure. In theory, the Government could defer the British Nationality Bill, or introduce it and take it no further than Second Reading in the present Session; but reform of the existing nationality laws, which was a Manifesto commitment, was long overdue. The Bill had already been postponed once, and further deferment would be seen as a major climbdown on the part of the Government.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that there were very strong objections to publishing the British Nationality Bill before the Christmas Recess in a form which was known to be defective. It should therefore be introduced into the House of Commons as early as possible in January. For the

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reasons outlined in discussion, it would be inappropriate to refer the Bill to a special standing committee, and the Opposition case for taking the Bill at all stages on the Floor of the House was a weak one: the arguments for regarding it as a constitutional measure were specious. The Government should therefore use their majority after Second Reading to ensure that the Bill was sent to a normal standing committee. A timetable motion should be introduced if necessary to ensure that the Bill was sent to the House of Lords not later than 10 June 1981.

The Cabinet -

3. Agreed that the British Nationality Bill should not be introduced in the House of Commons before the Christmas Recess.

4. Invited the Home Secretary to circulate a revised draft of the Bill to Legislation Committee with a view to its introduction in the week beginning 12 January.

5. Agreed that the British Nationality Bill should not be referred to a Special Standing Committee of the House of Commons and that the Criminal Attempts Bill should be so referred.

6. Invited the Chancellor of the Duchy of Lancaster, in consultation with the Chief Whip, to make the appropriate arrangements to ensure that the British Nationality Bill was referred to a standing committee after its Second Reading in the House of Commons, and for a timetable motion if that became necessary to ensure that the Bill was sent to the House of Lords not later than 10 June.

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2. THE FOREIGN AND COMMONWEALTH SECRETARY said that the commemoration ceremony at Gdansk on 16th December had been remarkable in that it had brought together on one platform representatives of the Polish Government, the Roman Catholic Church and the trade union Solidarity. But the situation was still on a knife-edge. The Soviet Union was now in a position to intervene militarily whenever it wished, and could probably maintain that posture indefinitely. The Polish Government were therefore on trial. Intervention during the Christmas holiday period could not be excluded. Adequate Western economic assistance to Poland remained an important factor, which was to be discussed further in the Defence and Overseas Policy Committee that afternoon.

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THE FOREIGN AND COMMONWEALTH SECRETARY said that there had been a successful two day meeting of the North Atlantic Council the previous week. A robust communique on the Polish crisis had been agreed, but this would not stop individual member governments adopting a weaker attitude as they came to consider what counter-measures should be taken in the event of Soviet intervention.

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THE FOREIGN AND COMMONWEALTH SECRETARY said that Mr. Obote's victory in the Ugandan elections had not been unexpected. A team of observers from the Commonwealth, including Britain, had concluded that there had been a valid electoral exercise; that while some cheating had occurred this had not been on a scale to alter the overall outcome; and that the counting of votes had not been seriously manipulated. Mr Obote had therefore to be accepted as the new President of Uganda, and a British message of goodwill would be sent to him in suitable terms. It was not yet clear whether he would prove to have learnt from the mistakes which had led to the overthrow of his earlier Presidency.

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THE FOREIGN AND COMMONWEALTH SECRETARY said that at the United Nations in New York the preparatory talks on the proposed Global Negotiations had been suspended until January. The United States had taken a notably firm line, while the developing countries had been unwilling to compromise on their demands. There had been no disunity among the members of the European Community.

Canada
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reference:
(80) 42nd
conclusions,
page 6

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Secretary of State for Defence, who was currently in Canada on a visit to defence facilities used by British forces, would be taking advantage of this opportunity to talk to the Canadian Prime Minister, Mr Trudeau, about the difficulties likely to arise at Westminster if the Canadian Government's request for the patriation of the Canadian Constitution were received in the form currently envisaged. The Parliamentary Select Committee on Foreign Affairs was expected to report in the near future that Mr Trudeau's present proposals were ultra vires. The Select Committee's Report would reflect in the main the views of Mr Trudeau's opponents, because the Canadian Government had taken no steps to put their side of the story and it was clearly not the British Government's business to do so.

The Cabinet -

Took note.

COMMUNITY
AFFAIRS

Council of
Ministers
(Foreign Affairs)

3. THE LORD PRIVY SEAL said that the Council of Ministers (Foreign Affairs) on 15-16 December had reached agreement on the offer to sell to Poland at favourable prices, foodstuffs from intervention stocks including 100,000 tons of barley from the United Kingdom. The Minister of State for Trade had also secured the Council's agreement to a new Community initiative with the United States on exports of textiles and the energy price differential.

Council of
Ministers
(Ecofin)

THE CHANCELLOR OF THE EXCHEQUER said that, at a meeting of the Council of Ministers (Ecofin) on 15 December, the Community had agreed to further improvements in the mandate which might offer some chance of agreement in the forthcoming discussions in the Organisation for Economic Co-operation and Development to renew the export credit consensus. The Council had also agreed on the terms for restructuring aid to Italy following the recent earthquake. He had proposed that the Ecofin Council should consider a limitation on agriculture expenditure before the Agriculture Council discussed next year's prices. It would be for the Dutch Presidency to follow up this suggestion.

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THE SECRETARY OF STATE FOR SCOTLAND said that he and the Minister of Agriculture, Fisheries and Food had attended a long and frustrating meeting of the Council of Ministers (Fisheries) which had ended without agreement. Good progress had been made during the earlier part of the meeting, and quota allocations had been proposed which would have given the United Kingdom slightly over 36 per cent of the total for the main species. The related question of access had also been discussed and the prospects of an overall agreement had at one stage appeared good. They had explained the likely terms in detail to the leaders of the industry, who were present in Brussels throughout the discussions, and they had all indicated their readiness to give public endorsement to a settlement if one could be reached on the basis that at that stage seemed likely to be available. Subsequently however, the French had indicated, at first in bilateral discussions and then more generally, that they were unwilling to agree to more than a short extension of the present derogation on access and then only on condition that the historic rights enjoyed by France were preserved. The Presidency and the Commission had prepared a possible compromise package. As drafted, this would not have given us adequate assurances on access and in presenting their proposals the Presidency and the Commission had acknowledged that they were deficient in this respect. Negotiations were, however, broken off and the compromise withdrawn when the French, clearly acting on instructions from Paris, had insisted upon their legal right to free access up to the beaches from 1 January 1983, and had been prepared to contemplate only minor derogations. By adopting this position the French had isolated themselves. While it was expected that the Council would resume in January, no date for a further meeting had been fixed. It seemed likely that the French now intended to link fisheries questions with agricultural prices and perhaps other issues with a view to a package settlement at the time of the next European Council.

In a brief discussion it was noted that the Director General of the British Fishing Industry had publicly confirmed that the deal would have been acceptable to the industry. Having originally been strongly opposed to linking fisheries with other issues, and having more recently wondered whether a linkage might be to their advantage, the industry would now probably be suspicious of the latest French tactics. The French Prime Minister had recently made it clear to the Lord President that the French were determined to link a number of issues with the forthcoming discussions on reform of the Common Agricultural Policy. It might be that the French had, at a late stage, decided to put the fisheries negotiations into this category. The Foreign and Commonwealth Secretary would have the opportunity on 19 December to take the question up with the French Foreign Minister. It was not clear that such tactics would be in the French interest: it would enable the United Kingdom to make a linkage with next year's agricultural prices in a way which was unlikely to be in the French interest. It was the French who, at the time of the budget negotiations

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leading up to the 30 May agreement, had insisted on the fisheries negotiations being completed by the end of this year. During the earlier negotiations on quotas, the United Kingdom had been particularly helpful to the French. There could be advantage in some of these points being made in a message from the Prime Minister to the President of France.

The Cabinet -

Took note.

NORTHERN
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4. THE SECRETARY OF STATE FOR NORTHERN IRELAND said that the hunger strike by seven Republican prisoners in the Maze Prison was now in its 53rd day. Other more recent strikers were not yet in a serious condition, and a hunger strike by six Loyalist prisoners had just been abandoned. But the seven, while remaining conscious and for the most part lucid, had all probably reached the stage where their long-term health would be damaged even if they abandoned the strike; and one of them had become almost totally blind, because of vitamin deficiency damage to the optic nerve, but was refusing medical treatment. A decision to move them to hospital was expected soon and would be taken purely on medical advice. If the strike persisted the first death would probably occur in about a week. The strikers had not altered their demands and there had been no negotiations with them. The authorities had nevertheless kept their ear to the ground, and it had seemed at one moment that the strikers were ready to climb down if a suitable "ladder" could be provided; but this had turned out not to be the case. There were many would-be intermediaries, but none had proved able to move the strikers. All seven were tough characters, and there was a real prospect that one and perhaps all of them would die. The Provisional Irish Republican Army (PIRA) would then seek to exploit public emotion. The security authorities were well prepared, but widespread rioting and bloodshed would be likely. The body of any striker who died would have to be handed over to his relatives after the inquest, and a large public funeral would no doubt then be held. The PIRA campaign of bombing and shooting, which had been restrained during the strike in order not to alienate sympathy, would be resumed in Northern Ireland and perhaps also in Great Britain. The Government's attitude must continue to be that political status for the prisoners was impossible, but that the prison regime was a humane one and improvements to it were not ruled out. He himself would be making a further television appeal shortly, in which he would once more carefully explain the privileges for which prisoners who abandoned their protest would be eligible. Even if this did not sway the seven strikers, it should help to reduce public sympathy for them. Encouragingly, opinion in the Province seemed to have accepted that political status could not and would not be granted.

In the course of discussion it was noted that the presentation of the Government's case was a key factor. Domestic Press comment was becoming increasingly favourable. But with the overseas Press a special effort would be needed to counter the inevitable PIRA propaganda. This would involve in particular the Central Office of Information; British Information Services New York, who had most effectively projected a recent visit by Conservative backbenchers concerned with Northern Irish affairs; and the authorities in Belfast, who were well placed to influence the local correspondents of foreign

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newspapers. It would be helpful both at home and abroad if publicity could be focussed on the victims of the violent crimes for which the hunger strikers had been sentenced.

THE PRIME MINISTER, summing up the discussion, said that the Government had made clear to the hunger strikers the advantages they would gain if they gave up their protest, but could not prevent them dying if they were determined to do so. Any deaths would have a major impact on public opinion, particularly during the Christmas season; and the Cabinet would wish to offer the Secretary of State for Northern Ireland full support in the difficult situation which would arise. The Government's case would need to be carefully presented not only in Northern Ireland but also in Britain and abroad. It was encouraging that there was no international pressure in favour of political status.

The Cabinet -

Took note.

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SERVICE
MANPOWER

Estimates
1-82
Previous
reference:
(80) 44th
conclusions,
page 4

5. THE LORD PRESIDENT OF THE COUNCIL said that Cabinet had agreed at their meeting on 11 December that the targets for total Civil Service manpower at 1 April 1981 and 1 April 1982 should be 695,000 and 685,000 respectively. Ministers had now submitted revised manpower estimates to the Civil Service Department, but the aggregate bids were still too high by 1,000 in April 1981 and 5,500 in April 1982. To meet the timetable for the preparation of the Estimates, Departmental manpower figures had to be agreed by 5 January. There was not time for a further round of Ministerial bilateral discussions. He proposed therefore that he should now have discretion to amend Departmental bids, so as to remove the remaining excess over the targets. He would do this for the April 1981 figures by making a pro rata reduction on the manpower bids of those Departments which had not revised their estimates sufficiently. For April 1982 he would be more selective in distributing the reductions, by taking account of known possibilities for manpower reduction, such as those arising from the recent scrutiny of the methods of payment of benefit to the unemployed.

In discussion it was suggested that the regular publication on a quarterly basis of the forecast and actual staffing figures of individual Departments was unnecessary and misleading. It was the overall totals, and the end-of-year figures, which were of particular significance to the Government's aims. On the other hand, it was noted that the local authorities were required by statute to publish manpower figures on a quarterly basis, and this had proved a salutary discipline. The Government could not be seen to be less rigorous in its own controls than in those it imposed on other bodies.

THE PRIME MINISTER, summing up the discussion, said that the achievement of manpower reductions, towards the target of no more than 630,000 by April 1984, was essential to the credibility of the Government's policies. The overall total should not be allowed to rise in any quarter. The Cabinet were agreed that the Lord President should now have discretion, subject to such discussion at official level as might be possible in the time available, to adjust the manpower bids from Departments in the manner he had proposed so as to provide figures for Departmental Estimates compatible with the overall targets agreed for 1 April 1981 and 1 April 1982.

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The Cabinet -

Invited the Lord President of the Council to amend Departmental manpower Estimates so as to achieve figures compatible with totals of 695,000 civil servants at 1 April 1981, and 685,000 at 1 April 1982, to circulate the revised figures to Ministers in charge of Departments, and to submit them to the Treasury by 5 January, for incorporation in the Estimates.

Cabinet Office

18 December 1980