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CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 16 OCTOBER 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 Hailsham
Lord Chancellor

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 Francis Pym MP
Secretary of State for Defence

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 Peter Walker MP
Minister of Agriculture, Fisheries and Food

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

SECRET

THE FOLLOWING WERE ALSO PRESENT

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 and 3)
Mr R L Wade-Gery (Items 2 and 3)
Mr W N Hyde (Items 1 and 4)
Mr L J Harris (Items 1 and 4)

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PARLIAMENTARY
DEBATES

Government,
Planning and Land
Bill

of
Session and
Opening of
Session

was
discussed;
30th
Sessions
1951

1. THE LORD PRESIDENT OF THE COUNCIL said that it had been hoped that the House of Lords could complete their consideration of the Broadcasting, Civil Aviation, and Local Government, Planning and Land (No 2) Bills by 5 November in order to give enough time for the House of Commons to consider Lords' amendments to those Bills before Prorogation on 10 or 11 November. Thursday 13 November had been set for the State Opening of the next Session of Parliament. The Government had suffered only two defeats during the Committee stage of the long and controversial Local Government, Planning and Land (No 2) Bill (one of which would need to be reversed at the Report stage), but it had been necessary to allot seven days to the Committee stage of that Bill, and the Bill would not be given a Third Reading until 5 or 6 November. The Commons could not begin consideration of the 200 or so amendments likely to be made in the Lords until the week beginning 10 November. It was therefore clear that the State Opening could not now take place on 13 November. Because of the State Visit of the King of Nepal, the earliest alternative date, which the Palace had already been asked to reserve in The Queen's diary, was Thursday 20 November. He thought the sooner the change was announced the better.

In discussion there was general agreement that the State Opening would have to be postponed. It was suggested that it would be premature to make the announcement until attempts had been made to secure some agreement with the Opposition in both Houses about the business to be taken before Prorogation. On the other hand it was argued that an early announcement would assist the management of business in the House of Lords, where Peers on all sides were concerned at the current pressures. The tactics of the Opposition in the House of Commons were likely to be determined by the forthcoming election of a new Leader of the Labour Party. They might seek to use an additional week in the spillover for general debates on Government policy rather than seek to filibuster on discussion of amendments to the Local Government Bill, the majority of which were not controversial. In any event it was important that the Palace and all concerned with the arrangements for the State Opening, for which invitations had already issued for 13 November, should receive adequate notice of the proposed change of date.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet recognised the congestion of business in the House of Lords and reluctantly accepted that it was now impossible for the Local Government, Planning and Land (No 2) Bill and the other Bills now in the House of Lords to become law in time for Prorogation on the date previously envisaged. The Opening of the new Session would have to be postponed until Thursday 20 November. The Lord President should do everything possible to agree a new timetable

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with the Opposition in the House of Lords before the decision was made public. Subject to that, and to prior notice being given to The Queen, the balance of advantage lay in not delaying an announcement. The Chancellor of the Duchy of Lancaster and the Chief Whip would need to reconsider the business in the House of Commons during the spillover. As much relatively non-controversial Government business as possible should be completed, and they should also examine with the Secretary of State for Employment the possibility of arranging a debate on the Codes of Practice on picketing and the closed shop.

The Cabinet -

1. Agreed that the State Opening of the next Session of Parliament should be postponed to Thursday 20 November.

2. Noted that the Prime Minister would arrange for The Queen to be told of their decision.

3. Invited the Lord President to hold discussions with the Opposition in the House of Lords with a view to an announcement of the postponement being made in that House that afternoon.

2. THE LORD PRIVY SEAL said that two recent actions of the Government of the German Democratic Republic were cause for concern. In a move which was probably inspired by their fear of contagion from events in Poland, and was designed to reduce the number of visitors from the West, they had increased the amount of East German currency which visitors to East Berlin and East Germany were obliged to purchase; and in a menacing speech, presumably with Soviet approval, the East German leader, Herr Honecker, had not only attacked both the West German Government and the North Atlantic Treaty Organisation but had also made clear that Poland's neighbours intended to ensure the continuance of the Communist system there. These moves, and the chilly attitude of the Soviet Union at the current Madrid meeting on the Conference on Security and Co-operation in Europe, seemed to indicate a hardening of Soviet policy on detente. In Poland, the Communist Party remained in turmoil and it was not clear whether the reformist wing would be able to retain its present ascendancy. The Poles had received some economic assistance from the

Soviet Union and were now seeking more elsewhere. The Polish Ambassador in London had asked for help from Britain in the form of increased amounts of officially-sponsored export credit and delayed repayment in respect of the large amount of such credit already in existence. This request was being examined by the Departments concerned. The Export Credits Guarantee Department's exposure in Poland was very considerable, and it was a measure of the Poles' near-bankruptcy that 95 per cent of their current export earnings had to be spent on debt servicing.

THE LORD PRIVY SEAL said that fighting had continued between Iraq and Iran. The Iraqis were advancing slowly but despite reports to the contrary had not so far cut the main oil pipeline running northwards from the Abadan refinery. Iranian air activity was declining. Outside Iraqi and Iranian waters shipping was continuing to move normally. There appeared to be no immediate danger that the Iranians would block the Straits of Hormuz, although it remained possible that they might do so either as an act of desperation or as a response in the event of an Iraqi attack on the nearby islands which the Iranians held or on Bandar Abbas. One British naval vessel, HMS Coventry, was already in the area and another, HMS Alacrity, was on the way. Consultations between the Americans and their allies on naval and other matters had not been well handled for various reasons, including the imminence of the United States elections. But it was satisfactory that with the help of the Iraqis and an Independent Television News reporter most of the crew had been rescued from the only British ship which was in danger in the Shatt-al-Arab and that only volunteers now remained on board. It was not yet clear whether, as the Iraqis were still claiming, it would be practicable for the Secretary of State for Social Services to visit the Baghdad International Trade Fair in mid-November. In Iran, the four British subjects under arrest were now all believed to be in Tehran. It was not possible to determine what might lie behind rumours that the United States Government might agree to provide supplies to the Iranians in return for the release of the American hostages. Such a deal, if it were available, would be electorally very tempting for President Carter; but it was difficult to believe that he would agree to supply arms, which his allies including Britain had for months past been withholding at American insistence.

The Cabinet -

Took note.

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3. THE PRIME MINISTER said that Mr Christopher Tugendhat, who had done well as one of the two British members of the Commission of the European Communities, would be nominated for a second term in the new Commission which would take place in January 1981. Following discussions with the Leader of the Opposition, she had offered nomination as the second Commissioner to Mr Ivor Richard, who had accepted. The question of portfolios would be discussed with the new President of the Commission during his forthcoming visit to London; it was hoped that Mr Tugendhat would retain the Budget portfolio.

THE LORD PRIVY SEAL said that at the Council of Ministers (Foreign Affairs) on 7 October French pressure to link progress on the fisheries negotiations with the Budget settlement had been successfully resisted and agreement had been reached on the early implementation of that settlement; it was expected that there would be advance payments to the United Kingdom from the 1980 Community Budget of 150-200 million units of account. Agreement had also been reached on the terms for Zimbabwe accession to the Lome Convention with provision for the import of 25,000 tons of sugar into the Community. Most Member States had supported a Commission proposal for mandatory quota restrictions on steel production, but the Federal Republic of Germany was still arguing for a voluntary scheme.

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that agreement had now been reached on the implementation of the Community regime for sheepmeat. It was part of the agreement that there should be a claw-back of premium payments on our exports. He was hopeful that British export trade could nevertheless be maintained, although more was likely to go to France and less to Germany. The Ministers of Agriculture had also had an informal discussion about the problems of the Common Agricultural Policy. Current market conditions, which might not last, meant that sugar production was no longer a cost to the Community Budget and the proportion of the budget attributable to dairy surpluses had declined.

The Cabinet -

Took note.

4. The Cabinet considered a note by the Home Secretary (C(80) 55), to which were attached drafts of The Queen's Speeches on the Prorogation of the current Session of Parliament and the Opening of the new Session.

THE HOME SECRETARY said that the draft speeches attached to C(80) 55 had been prepared by The Queen's Speeches and Future Legislation Committee on the basis of contributions from the Ministers concerned. The Paymaster General had made a major contribution in redrafting parts of both texts to make them as readable as was possible within the constraints of the conventions governing speeches from the Throne. The draft Prorogation Speech was on the long side, but it reflected the events of a long and busy first Session of the present Parliament, and could not easily be shortened. The Queen's Speeches and Future Legislation Committee had, however, attempted to keep the draft Opening Speech as short as possible. Because of this, some Bills which had been accepted by the Cabinet for next Session's legislative programme did not receive a specific mention. The draft Speech reflected the agreed emphasis of that programme by concentrating on economic and industrial affairs. The passages on Northern Ireland and Royal Visits still needed to be finalised, but with these exceptions, he now invited the Cabinet to approve the draft Speeches.

In discussion the following points were made -

- a. The Opening Speech should include an expression of concern about the present level of unemployment. This might conveniently be added at the beginning of the paragraph on industrial training.
- b. The Government were not enthusiastic about the prospect of an international summit meeting on co-operation and development; moreover it was uncertain whether the President of the United States would be prepared to go, and unlikely that the meeting would go ahead without him. The sentence in the Foreign Affairs section of the draft Opening Speech referring to the summit meeting should therefore be omitted; the previous sentence could be expanded to refer to the Government's intention to continue to work with other countries and in international organisations in the search for solutions (if that was the right word) to world economic problems.
- c. The reference to the aims of future tax policy might be taken as a signal that the Government had already decided to reduce the level of taxation in the next budget and would be better omitted.

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d. The general reference to developing plans for giving effect to the proposals in the recent White Paper on young offenders was unexceptionable as it stood, but no decisions about possible legislation or the financing of the possible introduction of residential care orders had yet been taken.

e. It would be helpful if a reference could be made in the Scottish section of the Speech to the proposed Bill protecting the rights of wives to the matrimonial home; this would add a welcome note of social concern to the Speech, and would forestall the possibility of a private Member introducing legislation on this subject.

THE PRIME MINISTER, summing up the discussion, said that, subject to minor drafting changes to be sent to the Home Secretary by the Secretaries of State for Energy, Trade, and Wales, the Cabinet approved the draft Prorogation Speech circulated with C(80) 55. They were generally content with the scope and tone of the draft Opening Speech and agreed to incorporate the alterations suggested in discussion on tax policy, the proposed North/South summit meeting, and matrimonial homes in Scotland. The Secretary of State for Employment should send to the Home Secretary (with a copy to the Paymaster General) as soon as possible a proposed addition to the draft Speech expressing the Government's concern at the present level of unemployment. The Secretaries of State for Industry and Energy should let the Home Secretary have their suggested alternative versions of the sentences dealing with the postal and telecommunications services, and private participation in the British National Oil Corporation. The Home Secretary should then prepare a final text of the draft Opening Speech in consultation with the Paymaster General, taking account of any necessary changes to the sections on Northern Ireland and Royal Visits. The Cabinet would consider the revised text at their next meeting.

The Cabinet -

1. Invited the Secretaries of State for Energy, Trade and Wales to send drafting comments on the draft Prorogation Speech attached to C(80) 55 to the Home Secretary as soon as possible.
2. Subject to 1., approved the draft Prorogation Speech, and noted that the Prime Minister would submit it to The Queen.

3. Invited the Secretaries of State for Employment, Industry and Energy to send the Home Secretary their proposed amendments to the draft Opening Speech, as indicated in the Prime Minister's summing up.

4. Invited the Home Secretary, in consultation with the Paymaster General, to circulate a revised version of the draft Opening Speech taking account of these amendments and of the points made in discussion.

Cabinet Office

16 October 1980