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(80) 19th
Conclusions

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CABINET

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

THURSDAY 15 MAY 1980

at 10.30 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 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

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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 P J Harrop (Items 1 and 4)
Mr R M Hastie-Smith (Items 2 and 3)
Mr W N Hyde (Items 1 and 4)

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PARLIAMENTARY
AFFAIRS

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

FOREIGN
AFFAIRS
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Afghanistan

2. THE LORD PRIVY SEAL said that at a first reading the latest proposals for political settlement put forward from Kabul appeared to be deficient very much as previous indications from Soviet sources had been. They were probably designed to have an effect on the meeting that day of the German National Olympic Committee and the meeting of the Islamic Conference at the weekend. A particularly unsatisfactory feature about this latest Soviet initiative was its failure to give any real undertaking about the withdrawal of Soviet troops from Afghanistan. The proposals would no doubt be discussed between the United States Secretary of State and the Soviet Foreign Minister at their forthcoming meeting in Vienna.

Previous
reference:
(80) 12th
Conclusions
Date 2

Olympic Games

THE LORD PRIVY SEAL said that the French National Olympic Committee had now voted in favour of attendance at the Moscow Olympics. It still looked as if the German National Olympic Committee would accept their Government's advice not to go to Moscow, but it had been hoped that the French decision would be delayed until after West Germany had announced that they would not be going. The position in other countries remained generally unchanged.

Previous
reference:
(80) 17th
Conclusions
Date 2

Iran

THE LORD PRIVY SEAL said that the Government's Bill authorising economic sanctions against Iran had passed the House of Commons and would be considered in the House of Lords that afternoon. There would be an informal meeting of the Foreign Ministers of the European Community in Naples over the forthcoming weekend during which they would discuss how far and how fast to move in applying sanctions. President Bani-Sadr appeared to be attempting to make conciliatory gestures but he was clearly facing domestic political problems. He had not so far appointed a new Prime Minister. The Islamic Party seemed to have done well in the Iranian elections, but the significance of the outcome was not yet clear.

Previous
reference:
(80) 18th
Conclusions
Date 2

THE LORD PRIVY SEAL said that the action taken to expel Libyan Government officials from this country had gone better so far than expected. No reprisals had yet been taken, but the danger of reprisals was by no means past.

THE LORD PRIVY SEAL said that an attempt by President Binaisa to dismiss his Chief of Staff had failed and had led to a bloodless coup in which the President himself had been displaced. He was now held incommunicado in his palace. It seemed possible that the military regime which now had been established might lead to the return of Dr Obote to power in Uganda.

THE LORD PRIVY SEAL said that South Africa had now replied to the United Nations Secretary General, Dr Waldheim in terms that were more favourable than it had been anticipated. This reply might serve to placate the Front Line States for the time being.

3. THE PRIME MINISTER said that during her visit to Belgrade for the funeral of President Tito she had had talks with both Signor Cossiga and Chancellor Schmidt. It was clear that the Italian Prime Minister was anxious to settle the outstanding issues before the next European Council on 12 June. Behind the scenes discussions were taking place both on the budget and on the related questions of fisheries and sheepmeat. On the budget, the problem was still to agree upon an arrangement for a minimum period of three years. The French having made the link, the British Government would not agree to raise agricultural prices until the budget question was solved.

In a brief discussion it was suggested that, provided that a satisfactory reduction in our net budgetary contribution was secured for 1980 it might be less important to insist upon a three year arrangement since, once an arrangement had been established, it would be difficult for the Community not to continue with it. An arrangement covering three years might lead to the issue being reopened in the

middle of 1982 in a politically charged atmosphere. On the other hand it was argued that, if the budget settlement was for too short a period, there would be a risk of being exposed every year to further pressure from the French to agree to higher agricultural prices. A three-year arrangement would be a better stepping-stone towards a longer term solution. The Community would probably reach the limit of its present financial resources before the end of 1982, and it was desirable to avoid a situation in which the United Kingdom was forced to agree to an increase in the ceiling in order to secure continuation of the limitation on her net contribution. The pressure on the Community from the financial ceiling should help to bring about reform of the Common Agricultural Policy (CAP). One possible way of determining the net United Kingdom contribution would be to link it with progress in reducing the proportion of the budget spent on the CAP. Two other formulae were currently being discussed as a means of determining the level of our net contribution, which would have somewhat the same effect; but they did not remove the need to determine how long the arrangement should last.

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that, although the French had sounded out other Member States on the possibility of setting aside the Luxembourg Compromise in order to adopt the agricultural price proposals by majority vote, they had met with a refusal from several countries and the matter had not been pursued in the Council of Ministers (Agriculture) on 6-7 May. The proposals for a common organisation of the market for sheepmeat were highly unsatisfactory and we had been able to have them referred back for further discussion by officials. On fisheries, the Germans were taking a strong line, which appeared to emanate more from the Federal Chancellor than from the German Ministry of Agriculture. The Italian Presidency had proposed a meeting of the Council of Ministers (Fisheries) before the end of May, but Commissioner Gundelach agreed with him that such a meeting would be very undesirable. The Minister of State (Mr Buchanan-Smith) had visited Bonn for talks with his German opposite number, and discussions were continuing to see whether it was possible to find a suitable form of words laying down guidelines for future work. If such a text could be agreed, it would probably be possible to avoid an early meeting of the Fisheries Council.

THE SECRETARY OF STATE FOR ENERGY said the meeting of the Council of Ministers (Energy) on 13 May had passed off quietly and further work had been put in hand. The United Kingdom had not had to make any concessions.

The Cabinet -

Took note.

RELATIVE
PROGRAMME
A

4. The Cabinet considered memoranda (C(80) 26 and 27) by the Secretary of State for the Home Department about the legislative programme for the 1980-81 Session of Parliament.

THE HOME SECRETARY said that, in considering the proposals for Bills which Ministers had put forward for next Session's programme, The Queen's Speeches and Future Legislation Committee had been concerned that the load of legislation on Parliament should be lighter than in the present Session. They envisaged a Session of normal length with reasonable recesses and the minimum spill-over in the autumn of 1981. They had therefore recommended that the main programme should be limited to 26 Bills, together with five Bills which were expected to be suitable for Second Reading Committee. This should allow room for the inclusion of any contingent or emergency Bills that proved to be necessary. The Committee had also agreed that 9 Scottish Bills should be brought forward to Scottish Grand Committee as appropriate; and that five other Bills, not in the programme should be introduced if, but only if, Legislation Committee were satisfied that they were acceptable for Second Reading Committee procedure. The main emphasis of the suggested programme was on Bills to assist the Government's economic and financial policies, for example by allowing the sale of assets and the introduction of private capital into nationalised industries. There was a social dimension to the programme which included two Education Bills and two environmental Bills; and law reform was reflected in three important measures (including a Contempt of Court Bill), together with a major Bill on Nationality. The Committee had identified eight Bills, including the legal reform Bills, which it should be possible to introduce first in the House of Lords, thus helping to provide a better balance of work for the two Houses during the next Session. He was grateful to those colleagues who had agreed to shorten their proposed Bills, or to defer them to a later Session. If the Cabinet approved what he believed to be a realistic programme, the Ministers concerned would need to seek early policy approval where this had not yet been obtained, and to see that instructions for their Bills were prepared as soon as possible, so that Parliamentary Counsel could have a substantial number of Bills ready for introduction at the beginning of the new Session.

In discussion, there was general agreement that a lightening of the pressures of legislation was desirable and would be widely welcomed by Government supporters. Part of the trouble in the present Session had been that Bills had come forward too late and had been too long. It was essential to keep to the dates of readiness which had been forecast for the introduction of Bills next Session. The intention to introduce as many Bills as possible in the House of Lords was particularly welcome.

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The following points were also made in discussion -

- a. The programme did not include a Bill giving effect to the Manifesto commitment relating to the shipbuilding industry. Government policy for the future of the industry and, in particular, the possible disposal of the specialist warship builders, had not yet been settled. It might be desirable to add a short Shipbuilding Industry (Disposals) Bill to the main programme.
- b. The proposed Health and Social Services (Miscellaneous Provisions) Bill would not now include provisions to extend the liability of motorists for meeting the costs of hospital treatment after road accidents. An alternative scheme was to be examined which would require contributions to the costs imposed on the National Health Service to be made in respect of the victims of other accidents as well as road accidents. It would be desirable to find space in this Bill for provisions to improve the regulation and disciplinary procedures of the dental profession, if that could be done without unduly lengthening it.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet endorsed the recommendations of The Queen's Speeches and Future Legislation Committee, and agreed to proceed as proposed with the Bills listed in the Annexes to the Home Secretary's memorandum. They had noted that it might be desirable to add to the programme a Shipbuilding Industry (Disposals) Bill, should the outstanding policy questions be settled in time. Provisions for the disciplinary arrangements of the dental profession could be considered for inclusion in the Health and Social Services (Miscellaneous Provisions) Bill only if that could be done without appreciably adding to its length and their inclusion did not delay its preparation. More generally, it was essential that early action should be taken to secure policy approval and to give instructions to Counsel for Bills in the programme, so that as many as possible were ready for introduction at the beginning of the new Session. Ministers should make this their personal responsibility and should inform the Chancellor of the Duchy of Lancaster of any adverse changes in the timetable for the preparation of their Bills.

The Cabinet -

1. Agreed that the Essential and Programme Bills listed in Annex A to C(80) 26 should be included in the 1980-81 legislative programme.

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2. Noted the list of Contingent Bills in Annex B and agreed that such of these Bills as proved necessary should be added to the programme.
3. Agreed that the Scottish Bills listed in Annex C should be included in the programme.
4. Agreed that the Bills listed in Annex D could be added to the programme if, at the appropriate time, Legislation Committee thought them likely to be acceptable for Second Reading Committee in the House of Commons.
5. Invited all Ministers responsible for Bills in the 1980-81 programme to take early action to secure policy approval and drafting authority, and to ensure that instructions to Counsel were given as soon as possible thereafter.

Cabinet Office

15 May 1980