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CC(83) 38th  
Conclusions

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CABINET

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

THURSDAY 22 DECEMBER 1983

at 11.00 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 Lord Hailsham  
Lord Chancellor

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 James Prior MP  
Secretary of State for Northern Ireland

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 Lord Cockfield  
Chancellor of the Duchy of Lancaster

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 FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Michael Havers QC MP  
Attorney General (Items 3 and 4)

The Rt Hon John Wakeham MP  
Parliamentary Secretary, Treasury

Mr John Gummer MP  
Minister of State, Department of Employment

SECRETARIAT

Sir Robert Armstrong  
Mr A D S Goodall  
Mr D F Williamson (Items 1 and 2)

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FOREIGN  
AFFAIRS

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Zimbabwe

Previous  
Reference:  
CC(83) 33rd  
Conclusions,  
Minute 2

1. THE FOREIGN AND COMMONWEALTH SECRETARY said that news had been received that morning from Harare that the three Air Force officers still in detention in Zimbabwe had been released with immediate effect and were being allowed to remain in the country. The Prime Minister of Zimbabwe, Mr Mugabe, had thus honoured the undertakings which he had given to the Prime Minister in the margins of the Commonwealth Heads of Government Meeting at New Delhi at the end of November.

Southern  
Africa

Previous  
Reference:  
CC(83) 33rd  
Conclusions,  
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Government of South Africa had offered to begin disengagement of their forces in Southern Angola on condition that Angola, the South West African People's Organisation and the Cubans did not exploit the resulting situation. This was a response to pressures from the United States and the United Kingdom for a South African move which would help to get the Cubans out of Angola and clear the way for Namibian independence. The South African offer had been made public on the eve of the debate on Angola in the United Nations Security Council, at which modifications had been secured to the draft Resolution sponsored by African States which had enabled the United Kingdom to vote in favour. It was just possible that the South African move could turn out to be an important contribution to progress towards a settlement of the Namibian question.

Iran and Iraq

Previous  
Reference:  
CC(83) 37th  
Conclusions,  
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Minister of State, Foreign and Commonwealth Office, Mr Luce, had recently returned from a round of visits to Kuwait, Bahrain, Oman and the United Arab Emirates. None of the Governments concerned foresaw an early end to the war between Iran and Iraq, in which Iraq was being worn down by economic attrition and Iran was prosecuting what amounted to a Holy War. Contingency planning was well advanced on a range of measures which might need to be taken by the United Kingdom (taking into account British obligations to the Gulf States) in the event of action by Iraq provoking an Iranian attempt to close the Straits of Hormuz.

Japan

THE FOREIGN AND COMMONWEALTH SECRETARY said that, in the recent General Election in Japan, the Liberal Democratic Party (LDP) had suffered a considerable reverse, dropping from 286 seats to 250. But, having recruited 8 independents, the LDP would still have a narrow overall majority and it was expected that Mr Nakasone would continue as Prime Minister

The Cabinet -

1. Took note.



Lebanon

Previous

Reference

CC(83) 37th

Conclusions

Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that the improvement in the security situation in the Lebanon had been marred by two terrorist bomb attacks in Beirut the previous day. These appeared to have been directed primarily against the French force and there had been no British casualties. The efforts which he had made over the previous week to organise further consultations at either Ministerial or official level between the four countries contributing to the Multinational Force (MNF) in the Lebanon had been unsuccessful, although he had been able to talk separately to the French Foreign Minister, Monsieur Cheysson, and to the United States special representative in the Middle East, Mr Rumsfeld. Italy had announced its intention of reducing its contingent by half. The French Government was also considering a reduction, although it had not been able so far to persuade the Lebanese Government to request one. The United Kingdom's objective was to substitute a United Nations force for the MNF. The Secretary-General of the United Nations had indicated willingness to contemplate this. The Soviet Union had been the main obstacle so far, but the French had been planning to explore the question with a representative of the Soviet Government in Paris the previous day, with a view to overcoming Soviet objections.

THE PRIME MINISTER, summing up a short discussion, said that the recent public statement by the Secretary-General of the United Nations that none of the Governments contributing to the MNF had asked for its place to be taken by a United Nations truce-supervisory force was misleading and should be corrected. She had herself put a proposal for a truce-supervisory force to the Secretary-General in September. It was difficult to believe that the Soviet Union would veto a United Nations Resolution calling for such a force, which represented the only practicable means of extracting the MNF from the Lebanon. The proposal for a United Nations force had come from the United Kingdom and it was important that credit for the idea should not be appropriated by other countries. The exposure of the British contingent to the MNF was a source of pressing anxiety. Urgent action should be taken to encourage the establishment of a United Nations truce-supervisory force, and she would wish to send a message to the Secretary-General of the United Nations in this sense before the New Year.

The Cabinet -

2. Took note that the Prime Minister would write to the Secretary-General of the United Nations in the sense discussed.



COMMUNITY  
AFFAIRS

Community  
Budget and  
United Kingdom  
Refunds

Previous  
Reference:  
CC(83) 37th  
Conclusions,  
Minute 3

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that the Council of Ministers on 19 December had decided to send a letter to the President of the European Parliament, Mr Dankert, formally stating its disagreement with certain actions by the European Parliament on the Community's 1984 budget, including the decision of the European Parliament to classify the whole of the United Kingdom and German 1983 refunds as non-obligatory expenditure and to put them in the reserve chapter. Mr Dankert had nonetheless rejected the Council's letter and signed the budget. The next step was to press the Commission to propose a transfer of the provision for the 1983 refunds on to budget lines.

In discussion it was pointed out, first, that it was unsatisfactory that the European Parliament had taken decisions in breach of Community rules and that the Council of Ministers was apparently unable to reverse this; and, secondly, that the United Kingdom should not allow the Community to be in default on its obligations without reacting. In reply it was pointed out that, in accordance with past practice, the bulk of the United Kingdom's 1983 refund should be paid by 31 March 1984 and that the Council of Ministers was standing firmly with the United Kingdom on the honouring of the Stuttgart Agreement. It was still possible that the provision for the 1983 refund could be taken out of the reserve chapter of the budget by that date. The European Parliament's action was likely to strengthen the view of some member states, notably France, that a firmer control of Community spending was now necessary. There was a separate question of the amount (£42 million) which the United Kingdom claimed should be added to the 1982 basic refund and risk-sharing element. The Council of Ministers had not accepted that view. This amount was due by 31 December 1983. It would be for consideration what action the United Kingdom Government should take, if that date passed and (as seemed likely to be the case) the £42 million had not been received. One possibility might be to put an equivalent amount from the payments due to the Commission in January into a suspense account, in which it could be held in interest-bearing Government debt. Tactically the better course might be to ensure that, if it proved necessary to withhold Community funds because the bulk of the 1983 refunds were not received by the due date, the United Kingdom should then recover also the amount claimed under the 1982 risk-sharing formula. This would require further consideration in the New Year. In the meantime, however, it would be important to put all member states on warning that the Community would be in default from 1 January 1984 on the additional risk-sharing element of the 1982 refund.

THE PRIME MINISTER, summing up the discussion, said that, despite the action of the European Parliament, no question of Community default on the 1983 refund arose immediately. As for the additional risk-sharing element of the 1982 refund, a formal letter should now be prepared and despatched notifying member states that the Community was in default. It would be necessary to consider thereafter whether further action was required.



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Transport

THE SECRETARY OF STATE FOR TRANSPORT said that, at the Council of Ministers on 20 December, agreement on lorry weights had been close. If this were reached soon, it would add to the pressure on the Germans to liberalise lorry quotas.

Environment

THE SECRETARY OF STATE FOR THE ENVIRONMENT reported that, at the Council of Ministers on 16 December, agreement had been reached on a directive on mercury discharges.

The Cabinet -

1. Took note.

2. Agreed to resume early in the New Year consideration of the appropriate action to be taken on the 1982 and 1983 refunds due from the European Community.

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PARLIAMENTARY  
AFFAIRS

3. The Cabinet were informed of the business to be taken in the House of Commons during the week beginning Monday 16 January.

Rates Bill

Previous  
Reference:  
CC(83) 17th  
Conclusions,  
Minute 3

THE LORD PRESIDENT OF THE COUNCIL said that it would be important that as many Ministers as possible should use opportunities presented by speeches in the Christmas Recess to present the case for the Rates Bill. It would be essential for Ministers to be seen taking a coherent and united line; material for this purpose would be provided by the Secretary of State for the Environment.

In discussion it was suggested that it was desirable to establish clearly the Government's intentions with regard to the general scheme for rate-capping. A number of councillors were apprehensive about the possibility of the introduction of the general scheme and its effect upon their councils. It should be made clear that the purpose of the legislation was to re-establish in statutory form the convention which had hitherto prevailed under which local government complied with the general expenditure targets and controls established by the central Government, and to deal with councils who were acting in deliberate defiance of that convention. This intention, and the limitations on the selective scheme, were now clear in the text of the Bill as published. There were a number of councils, other than those at which the selective scheme was primarily aimed, who were running high levels of expenditure and were apprehensive about their position. In this context it would be helpful to be able to draw attention to the scope in local government for reducing expenditure without cutting services. The recent report by the Audit Commission would be extremely helpful in this regard, and the material in it should be made widely available both at national and at local levels.

THE PRIME MINISTER, summing up the discussion, said that the principles and purposes of the Rates Bill were strongly supported by ratepayers and by industry and commerce. What was now needed was to mobilise this support in terms of pressure upon Members of Parliament to support the Bill in its progress through Parliament. The primary purpose of the Bill was to protect ratepayers, and this theme should be emphasised in the speeches which she hoped that as many Ministers as possible would be making on the subject before Parliament resumed on 16 January. The material in the Audit Commission's report would be most valuable in this regard, and steps should be taken to make sure that it was as widely known as possible.

The Cabinet -

1. Took note, with approval, of the Prime Minister's summing up of the discussion.
2. Invited the Secretary of State for the Environment to provide Ministers with material on the Rates Bill for incorporation in speeches during the Christmas Recess, to arrange for summaries of the Audit Commission's report to be provided for all members of the Cabinet and other Ministers speaking on the subject of the Rates Bill, and



to ensure by appropriate means that the material in the Audit Commission's report which demonstrated the large scope which existed for savings in local authority expenditure without reductions of services would be made as widely known as possible.

NORTHERN  
IRELAND

Previous  
Reference:  
CC(83) 36th  
Conclusions,  
Minute 4

THE PRIME MINISTER said that following the terrorist bomb explosion in Knightsbridge on 17 December suggestions had been made that Provisional Sinn Fein should be proscribed, and there had been indications that proscription was being considered by the Government of the Republic of Ireland. Preliminary consideration of the possibility of proscription in the United Kingdom had led to the conclusion that the balance of advantage was against proscription but that it might be difficult for the Government not to follow suit if the Irish Government decided to proscribe. It had, however, been recognised that proscription would be easier in the Irish Republic than in the United Kingdom (where over 100,000 votes had been recorded for Sinn Fein candidates in the last General Election). It had also been pointed out that a proscribed Sinn Fein could re-emerge under another name, and that proscription could produce mass defiance and widespread civil disobedience in Northern Ireland on the part of Sinn Fein supporters. It had since become known that the Irish Cabinet was reluctant to proscribe Sinn Fein and had decided to postpone a decision on the question for the time being.

THE SECRETARY OF STATE FOR NORTHERN IRELAND said that proscription would be disruptive to Sinn Fein as an organisation and would make it easier to deal with electoral abuse in Northern Ireland. There was a case for acting quickly while public indignation about the Knightsbridge bombing and other recent acts of terrorism was still fresh. As against this there were the practical difficulties outlined by the Prime Minister, to which could be added the problems of having to imprison large numbers of people in Northern Ireland who might defy proscription and generate riot and disorder. Except for the leader of the Democratic Unionist Party, Mr Ian Paisley, opinion in Northern Ireland appeared to be against proscription and the leader of the Social Democratic and Labour Party, Mr John Hume, believed that it would damage his party electorally and make it impossible to hold elections in the Province. If the Irish Government decided to proscribe it would be difficult for the British Government not to follow suit; but the recent series of terrorist actions in the Republic had alerted public opinion in the South to the threat which terrorism presented to the stability of the Republic and had led to strong domestic pressure on Irish Ministers for more effective counter-terrorist action. For the moment, the right course would be for the British Government to build on this and encourage the Irish Government to strengthen border security and take more effective measures against the 200-300 terrorists who used the Republic as a safe haven for action in the North. If the Irish Government were prepared to adopt selective internment for terrorists in the Republic, it might be possible for the British Government to do the same in Northern Ireland. Other measures requiring examination included increasing the establishment of the Royal Ulster Constabulary; reviewing the laws against incitement to violence; ending the present long delays in bringing those accused of terrorist crimes to trial; and reaching



agreement with the Republic to restrict the availability of fertilisers which could be combined with diesel oil to produce explosives, and were at present extensively used by terrorists to mine roads on the Northern side of the Irish border. Both the General Officer Commanding in Northern Ireland and the Chief Constable regarded this as a high priority. Consideration was also being given to measures against terrorism which might be taken jointly with the Irish Republic. Although there had been a number of major terrorist outrages in recent weeks the overall situation in Northern Ireland was relatively calm and the casualty figures for 1983 promised to be the lowest for any year since the current troubles began.

THE HOME SECRETARY said that five people had been detained for questioning following the Knightsbridge bomb explosion but no explosives or bombs had been found and no arrest appeared imminent. He had powers under the Prevention of Terrorism (Temporary Provisions) Act 1976 to proscribe any terrorist organisation, and similar but separate powers were available to the Secretary of State for Northern Ireland. Proscription in Great Britain would require an Affirmative Resolution in the House of Commons, although in an emergency this could be sought retrospectively. If introduced, proscription would need to apply both in Northern Ireland and on the mainland, and it was right that Northern Ireland considerations should be paramount. He agreed with the Secretary of State for Northern Ireland that proscription would on balance be unhelpful in present circumstances: it would not affect the fight against terrorism on the mainland, and it could well lead to widespread civil disobedience in Northern Ireland. It was important that the united mood of the country in the face of recent acts of terrorism should not be dissipated by arguments about the merits and demerits of proscription. To enforce proscription only against leading members of Sinn Fein, while allowing the rank and file to go free, would be politically indefensible and would bring the law into disrepute.

In discussion it was suggested that all possible measures for combating terrorism should be explored and that the law against incitement to violence should be reviewed, although it was recognised that the main problem in this area lay in the collection of evidence. It was suggested that there were precedents in civil law for collecting evidence (notably in connection with breach of copyright) which might usefully be applied against leading members of Sinn Fein who were suspected of incitement to violence. Another possibility would be to establish a Tribunal of Inquiry as a preliminary to proscription, which would make it possible subsequently to indict leading members of Sinn Fein for criminal activities. It would be desirable to keep in close touch with the Irish authorities both on the question of proscription and on possible measures to combat terrorism; but care should be taken not to embarrass the Irish Government by public statements to this effect. The Irish Government had succeeded in striking a judicious balance by postponing a decision on proscription while announcing a review of existing legislation against incitement to violence and possible further measures against those who promoted terrorist activities while claiming to be unassociated with them.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet would wish to reaffirm its total confidence in the Secretary of State for Northern Ireland and in his handling of the situation in the



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Province. In the light of recent events consideration would need to be given to the wider aspects of the Irish question and the possibility of finding new approaches to it. Press guidance should be given to the effect that with regard to recent terrorist outrages both on the mainland and in Northern Ireland the Cabinet had expressed its admiration for the response of the police and other services; that the Cabinet was meanwhile considering what further measures could be taken to improve the effectiveness of the fight against terrorism and of the enforcement of the law against incitement to violence; and that the Cabinet had taken no decision on whether to proscribe Provisional Sinn Fein.

The Cabinet -

Took note.

Cabinet Office

22 December 1983

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