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CABINET

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

THURSDAY 5 APRIL 1984

at 9.30 am

P R E S E N T

The Rt Hon Margaret Thatcher MP
Prime Minister

The Rt Hon Lord Hailsham
Lord Chancellor (Items 3-5)

The Rt Hon Leon Brittan QC MP
Secretary of State for the Home Department

The Rt Hon Sir Keith Joseph MP
Secretary of State for Education and Science

The Rt Hon Peter Walker MP
Secretary of State for Energy

The Rt Hon George Younger MP
Secretary of State for Scotland

The Rt Hon Patrick Jenkin MP
Secretary of State for the Environment

The Rt Hon Norman Fowler MP
Secretary of State for Social Services

The Rt Hon Lord Cockfield
Chancellor of the Duchy of Lancaster

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

The Rt Hon Nicholas Ridley MP
Secretary of State for Transport

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon John Wakeham MP
Parliamentary Secretary, Treasury

The Rt Hon Earl of Gowrie
Minister of State, Privy Council Office
(Item 5)

Mr John Gummer MP
Minister of State, Department of Employment

SECRETARIAT

Sir Robert Armstrong
Mr P L Gregson (Items 4 and 5)
Mr A D S Goodall (Items 2 and 3)
Mr D F Williamson (Items 2 and 3)
Mr M S Buckley (Items 4 and 5)
Mr C J S Brearley (Items 1 and 5)
Mr R Watson (Item 1)

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1. The Cabinet were informed of the business to be taken in the House of Commons in the following week and in the first week after the Easter Adjournment.

THE LORD PRIVY SEAL said that it seemed likely that the Speaker would allow an application under Standing Order 10 for a debate on the miners' strike during the following week. It was suggested that, if he did so, the debate would be likely to concentrate on the actions of the police rather than the substantive issues.

THE LORD PRESIDENT OF THE COUNCIL said that, by convention, the House of Lords did not divide on Second Readings of Manifesto Bills. Nonetheless, the official Opposition had been under some pressure to vote against the Second Reading of the Rates Bill which was to take place on Monday 9 April. They had, however, decided to abide by the convention but to put down a reasoned amendment on which there would be a vote. Even this was a most unusual procedure where a Manifesto Bill was concerned, and he had decided that the amendment must be treated with the utmost seriousness. In consequence a three-line Whip was being issued to Government supporters. It was essential for the Government to secure a convincing majority.

The Cabinet -

1. Took note.

THE PRIME MINISTER said that she was concerned about delays in making senior public appointments. There had been too many cases where the interval between the announcement that an appointment would be made and the subsequent identification and announcement of an individual to fill the appointment was unacceptably long. Part of the time was taken in looking for the right person, but too much time then seemed to be taken in agreeing salary and other conditions of appointment. On occasion individuals had been lost because of delays at this stage. There was a need to speed up both parts of the process. Colleagues should ensure that the making of appointments was progressed as quickly as possible once an initial announcement had been made. When a suitable individual had been identified, the aim should be to reach agreement on terms and conditions of employment within three weeks.

The Cabinet -

2. Took note, and invited Ministers making senior public appointments to be guided accordingly.

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that the Unofficial Members of the Hong Kong Executive Council were in London for talks with British Ministers and would be seeing the Prime Minister and himself. He would be going to Peking for talks with the Chinese Government about the future of Hong Kong on 14 April and would be visiting Hong Kong immediately afterwards. He would report to the Cabinet on his return.

THE FOREIGN AND COMMONWEALTH SECRETARY said that the British hostages captured by the Union for the Total Independence of Angola (UNITA) had reached their destination at a UNITA base in southern Angola on 30 March and were reported to be in good health. The UNITA leader, Dr Savimbi, had publicly stated that contact with the British Government would be a condition for their release, and had sent a message through Lord Chalfont asking for a British emissary. The UNITA representative in London had confirmed to the Foreign and Commonwealth Office that, if a British Government emissary were sent to the UNITA base in southern Angola to meet Dr Savimbi, the hostages would be released immediately without conditions. He had accordingly invited Sir James Scott-Hopkins MP (who had visited UNITA in 1983 as a member of a Parliamentary delegation) to act as the British Government's emissary, and Sir James's reply was still awaited. It would be made clear in Parliament that the emissary's visit had no implications for the British Government's policy of refusing to negotiate with hostage-takers about conditions for release. The safety of the British personnel remaining in the diamond mining and oil producing areas of Angola continued to be a cause of some concern. Her Majesty's Ambassador in Angola had recently visited the areas concerned and the Angolan Government was being pressed to make urgent improvements in the security arrangements there.

THE FOREIGN AND COMMONWEALTH SECRETARY said that there had been little ground activity in the Iran/Iraq war during the previous week. There had been a further Iraqi attack against an Iranian convoy on 28 March in which a Greek and an Iranian vessel had been hit. There was no unusual activity in the Straits of Hormuz. A team of American officials would be visiting London on 9 April to follow up the talks on contingency planning which had taken place during the visit to Washington on 19 and 20 March by the Minister of State, Foreign and Commonwealth Office, Mr Luce. Action had been taken by the United States to ban the export of a number of chemicals to Iran and Iraq which might be used in the manufacture of chemical weapons, and the possibility of parallel action by the British, Dutch and certain other European Governments was under discussion.

THE FOREIGN AND COMMONWEALTH SECRETARY said that four South Africans had been arrested in London on 29 March charged with breaches of the British arms embargo against South Africa. Three United Kingdom citizens had also been arrested. Further charges were likely to be preferred. The South

African Government's decision to recall their Ambassador in London for consultations in connection with the arrests was an over-reaction which was more likely to embarrass South Africa than the United Kingdom. It seemed that there had been a long pattern of supply of components for anti-missile missiles and ordnance to South Africa by at least two British companies. Although South African Government agencies were likely to have been involved, there was no evidence to implicate the South African Embassy in London.

THE FOREIGN AND COMMONWEALTH SECRETARY said that the United States President's new proposal for a treaty banning chemical weapons worldwide was intended to constitute a comprehensive Western offer. It had been the subject of consultation with Allied Governments and did not conflict with the British Government's proposal, put forward by the Minister of State, Foreign and Commonwealth Office, Mr Luce, in Geneva on 14 February, for an agreement on challenge inspection in cases of suspected non-compliance. It was also intended to facilitate the President's efforts to obtain funds from Congress to strengthen the United States' own chemical weapons capability, which was needed as a deterrent against the very much larger Soviet chemical arsenal.

THE SECRETARY OF STATE FOR DEFENCE said that the current Soviet naval exercise in northern waters was similar in principle to previous exercises of the same kind, but was on an unprecedented scale. The indications were that Western intelligence had been slow to detect this and he had asked for a full and detailed report. Meanwhile, it would be desirable in public statements to avoid focusing attention on any possible shortcomings in Western intelligence that might be identified.

THE SECRETARY OF STATE FOR DEFENCE said that he had attended the meeting of the Nuclear Planning Group of the North Atlantic Treaty Organisation (NATO) which had ended in Ankara the previous day. General satisfaction had been registered with the progress made on the deployment of Cruise and Pershing II missiles. Of the European countries which had agreed to deployment on their territories, the United Kingdom, the Federal Republic of Germany and Italy had all honoured their commitments and Belgium was on course to do so. Ministers from all four countries had reported some abatement of public concern on the deployment issue. The exception to this positive pattern was the Netherlands, and the Dutch Defence Minister, Mr de Ruiter, who was believed to be personally opposed to deployment, had been left in no doubt by his NATO colleagues of the serious consequences for the Netherlands position within the Alliance if the Dutch Government were unable to ensure that deployment there would go ahead. The 35th Anniversary of the establishment of NATO, on 4 April 1984, had attracted regrettably little positive publicity in the Western media.

The Cabinet -

Took note.

3. THE FOREIGN AND COMMONWEALTH SECRETARY reported that, since the last meeting of the Council of Ministers (Foreign Affairs), he had been in close touch with the Commission. The Commission was exploring whether it could now put forward a proposal on the budget imbalance. He would be consulting some of his colleagues later that day. In discussion it was stated that at the meeting of the Council of Ministers (Finance) on 2 April there had been no detailed discussion of the question of correcting the budget imbalances but that the Finance Ministers expected to have responsibility for carrying on the further work on budgetary discipline.

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD reported that the Council of Ministers (Agriculture) on 30-31 March had reached agreement on agricultural prices and related measures. The milk quota/superlevy scheme would be introduced: the Community was producing about 105-106 million tonnes of milk, of which it consumed about 88 million tonnes. The quota/superlevy scheme would probably lead to a reduction of about 5-6 million tonnes. This would be painful for farmers. They had had, however, clear notice since the Commission's proposal of July 1983 that this was necessary. The quantity for the Republic of Ireland had been set at a level slightly lower than that discussed in the European Council. There was no provision for a further expansion for the Republic of Ireland. The Germans had given way and only the Netherlands and the United Kingdom had remained opposed to the figure for the Republic of Ireland. There had been no vote on this specific proposal because the package had been treated as a whole. He had obtained agreement to an extra quota of 65,000 tonnes of milk for Northern Ireland. The negotiation on the beef variable premium had been very difficult. He had been faced with a demand to vote on the package without the beef variable premium but had obtained a continuation of the scheme on condition that the United Kingdom did not oppose the package as a whole. The agricultural settlement had been criticised by farmers. In his view the grain growing areas of the United Kingdom could sustain the support price cut. In the beef and sheepmeat sector the position was fully defensible, particularly since the suckler cow subsidy and the guaranteed price for wool had been increased. There were, however, genuine difficulties in the milk sector. He intended to let dairy farmers have shortly a statement on how the quota/superlevy proposal would apply to them, together with information from the advisory services. An unsatisfactory factor of the negotiation in Brussels had been that the arrangements for the import of New Zealand butter had been rolled forward for a short period only, as the Republic of Ireland had blocked the long-term proposal. This would, however, be reconsidered.

In discussion it was recognised that the Minister of Agriculture, Fisheries and Food had conducted very well the difficult negotiations with which he had been confronted. It was now important that the Government should stand behind the implementation of the package and take a firm line with farmers. The farming industry was resilient and would be able to make the adjustments necessary. There was evidence that dairy farmers, in

particular, were already looking for ways in which they could restrain production to the level required without a corresponding drop in their returns. It would be most advantageous, however, if any uncertainty about the detailed operation of the milk quota/superlevy scheme were removed as soon as possible. It was also pointed out that, where the United Kingdom was opposed to a particular proposal such as the treatment of the Republic of Ireland under the quota/superlevy scheme, there could be an advantage in being able to register this opposition in a vote, even when the proposal was likely to be carried on a majority vote. In the particular circumstances of this agricultural package, however, this had not been possible because it would have involved the loss of the beef variable premium.

THE CHANCELLOR OF THE EXCHEQUER reported that at the Council of Ministers (Finance) on 2 April he had maintained the United Kingdom's reservation on the proposal for innovation loans. The Council had decided to raise the duty free allowance in intra-Community travel to 280 ecu (about £165), which would be well received.

The Cabinet -

Took note.

4. THE SECRETARY OF STATE FOR ENERGY reported to the Cabinet on the latest position in the coal industry dispute. The Cabinet's discussion is recorded separately.

Council of Ministers (Finance)

INDUSTRIAL AFFAIRS

The Coal Industry

Previous Reference: CC(84) 13th Conclusions, Minute 5

5. The Cabinet considered the abolition of the Greater London Council and the Metropolitan County Councils. The Cabinet's discussion and the conclusions reached are recorded separately.

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COMMISSION
OF GREATER
LONDON
COUNCIL AND
METROPOLITAN
COUNTY
COUNCILS

Previous
References:
GC(83) 17th
conclusions,
Minute 3,
GC(84) 9th
conclusions,
Minute 5,
and
GC(84) 11th
conclusions,
Minute 5

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Sir Robert Armstrong
(Grand Volume)

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CABINET

LIMITED CIRCULATION ANNEX

CC(84) 14th Conclusions, Minute 4

Thursday 5 April 1984 at 9.30 am

THE SECRETARY OF STATE FOR ENERGY said that work had now resumed at several pits in Lancashire and the Nottinghamshire pits were continuing to work normally despite a recent instruction from the Nottinghamshire Area Executive of the National Union of Mineworkers (NUM) that their members should not cross picket lines and a recommendation that their members should set up their own picket lines. It was hoped that this instruction and recommendation would fail to secure support from a meeting of Nottinghamshire Area Delegates later that day. The National Association of Colliery Overmen, Deputies and Shotfirers was holding a secret ballot and it was hoped that the result, which would be known on 10 April, would be decisively against strike action. The meeting of the National Executive of the NUM, due to be held at Sheffield on 12 April, would be of crucial importance; 14 of its 23 members had now been mandated to seek a national ballot. There would however be strong pressures from militants and demonstrations connected with the meeting. Although the rail unions had banned the movement of coal and coke, many coal trains were still moving and substantial supplies of coal and oil to power stations were being maintained.

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY expressed regret for a remark made the previous day about the miners' strike at a luncheon of the Parliamentary Press Gallery. This had received wide publicity and was inconsistent with the Government's wish to avoid being drawn publicly into the dispute. So far as the general effect on industry was concerned, difficulties had so far been confined to foundries, particularly in the Midlands, and to the steel industry. The NUM was considering applications to maintain supplies to the smaller foundries threatened with closure. At the British Steel Corporation's plant at Ravenscraig a bitter conflict had arisen between the Iron and Steel Trades Confederation, which was concerned that the loss of coal supplies would threaten the future of the plant, and the NUM and the transport unions. Problems would eventually arise over maintaining production at several of the major steel works, and particularly at Scunthorpe.

THE PRIME MINISTER, summing up the discussion, said that the Government should continue to maintain a low profile in the dispute. If Ministerial comment was unavoidable, this should be confined to reinforcing the points

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which the National Coal Board was putting across about the pay offer, the high level of investment in economic pits, the offer of alternative jobs wherever possible, and the provision of generous redundancy terms.

The Cabinet -

Took note.

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CABINET

LIMITED CIRCULATION ANNEX

CC(84) 14th Conclusions, Minute 5

Thursday 5 April 1984 at 9.30 am

The Cabinet considered a minute of 3 April from the Secretary of State for the Environment to the Prime Minister about the abolition of the Greater London Council (GLC) and the Metropolitan County Councils (MCCs). They also had before them a letter of 4 April from the Chief Secretary, Treasury to the Secretary of State for the Environment and a minute of 4 April from the Minister for the Arts to the Prime Minister about the funding of the arts after abolition.

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that the Ministerial Group on the Abolition of the Greater London Council and the Metropolitan County Councils (MISC 95) had held a number of meetings under his chairmanship. His minute of 3 April reported the Group's conclusions. It was mainly concerned with issues on which it was important to announce the Government's intentions during Second Reading of the abolition Paving Bill the following week. The debate on Second Reading was an opportunity which must not be missed to regain the initiative in the debate on abolition. These issues were as follows -

- i. abolition strategy and the joint boards;
- ii. education in inner London;
- iii. the arts (and sport);
- iv. voluntary bodies;
- v. historic buildings in London.

His minute also summarised the conclusions of MISC 95 on the treatment of a number of services currently run by the GLC and the MCCs and on certain residual matters which could not be dispersed to the boroughs and districts and would need to be dealt with by small residuary bodies in London and the metropolitan counties; it was hoped that such bodies would have only a limited life.

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THE SECRETARY OF STATE FOR THE ENVIRONMENT said that MISC 95 was unanimous that it was necessary to stick to the strategy set out in the White Paper 'Streamlining the Cities' (Cmnd 9063): maximum devolution to the boroughs and districts; providing joint boards only for a limited number of services; and setting up no other significant county-wide bodies. The joint boards should be set up directly by the abolition legislation; but the legislation should provide that Ministers might by order change the geographical areas of operation. This would include the possibility of excluding one or more districts (who would take over the function in question) and of dissolving joint boards entirely. To avoid any impression that the new arrangements were merely temporary, and to discourage too many applications for change, it should be made clear that the Government did not intend to change the new arrangements until they had had a reasonable period in which to prove themselves; and that the onus of proof would be on anyone wishing to propose change.

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that the Cabinet had asked MISC 95 to consider whether it was desirable to set up a directly-elected body to run education in inner London after the abolition of the GLC, on the premise that any such body would be a precepting, not a rating, authority. MISC 95 recommended firmly in favour of a directly-elected body. It was the preference of an overwhelming majority of those who had commented on the White Paper; its accountability to the electorate would be beyond question; and the simplicity and acceptability of direct elections should ease the passage of the abolition legislation. Initial elections should be held on the basis of returning two members for each Parliamentary constituency in inner London. A majority of MISC 95 considered that they should take place in May 1985: this would require appropriate provisions to be inserted into the Paving Bill during its passage. If elections were held later, there would be three different memberships during a period of less than 12 months in the body responsible for education in inner London. This would be difficult to defend. Initial elections to the new body could not in any event coincide with the next London borough elections, which would take place in May 1986. It would be for consideration whether later elections should take place in the same or different years as the borough elections; no decision was required on this yet. It was clear, as the Cabinet's previous decision had implied, that the new body must be a precepting authority. MISC 95 recommended measures, summarised in Annex B to his minute, to increase the amount of information available to ratepayers and so to enhance the accountability of the new body. One of the proposals would entail an amendment to the Rates Bill in the House of Lords; this should not give rise to difficulty. There should be provision for review of the arrangements for education in inner London on the lines of Section 30(6) of the London Government Act 1963.

THE SECRETARY OF STATE FOR EDUCATION AND SCIENCE said that he strongly supported the proposals described by the Secretary of State for the Environment. It was desirable that an announcement of the Government's decision should be made that afternoon. Otherwise there was a risk that it would leak and be misrepresented by the opponents of abolition.

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In discussion of the date of first elections to a new body, it was argued that amendments would inevitably be proposed during the passage of the Paving Bill to provide for a directly-elected body and for elections to be held in May 1985. The Government could not well resist such amendments on merit, since it was impossible to argue in favour of a situation entailing the frequent changes of membership described by the Secretary of State for the Environment. Attempts to resist could well prolong debates on the Bill. On the other hand, for the Government itself to propose amendments providing for a new directly-elected body would greatly extend the scope of the Paving Bill. It would also make the Government seem irresolute and indecisive. It would make it impossible for the Government to resist other proposals of substance on the grounds that they should await the main abolition Bill in the following Session. The resulting extension of the scope of debate on the Paving Bill could well jeopardise the passage of other Bills before the Summer Recess.

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that Cmnd. 9063 and the more detailed consultative paper on the arts issued with it proposed that the majority of arts bodies should look to the borough or district councils for their funding; but that there should be central funding for a few bodies of national or international importance. These proposals had received negligible support: it was widely believed that the boroughs and districts would not be an adequate substitute in this field for the GLC and the MCCs. The arts lobby was influential; and the opponents of abolition were using the arts issue as a major part of their campaign. MISC 95 was clear that the Government's original proposals must be modified, and that more subsidies must be channelled to the arts through the Arts Council and the Museums and Galleries Commission in place of the boroughs and districts. The Group had not, however, been able to reach agreement on the financial implications. He regarded it as essential to say during the debate on Second Reading of the Paving Bill that the Government were aware of the problems and, in general, that they intended to add to the original list some bodies of regional significance and to channel further additional funds through the Arts Council and the Museums and Galleries Commission. He would also wish to make a similar statement about sport.

THE MINISTER FOR THE ARTS said that he agreed that an early announcement was needed. But no announcement which could not be quantified in terms of money would do any good: it would provoke further anxieties. He proposed that the Government should make available an additional £33 million in central funding. This corresponded to the present expenditure on the arts of the GLC and the MCCs, less that part which was unworthy or purely local. He also believed that modest additional funding would be required outside the areas of the GLC and the MCCs, but he did not seek a decision on this at present.

THE CHIEF SECRETARY, TREASURY said that he was concerned that the savings expected from abolition might be dissipated by concessions to influential lobbies and transferring financial responsibility from ratepayers to taxpayers without corresponding reductions in local authority expenditure.

He favoured a proposal, which he had put to MISC 95, that there should be a levy, to be determined by Ministers, on ratepayers in Greater London and the metropolitan counties, the proceeds of which would be channelled to arts bodies in those areas through the Arts Council and the Museums and Galleries Commission.

In discussion, the following main points were made -

a. The arts lobby was influential; and its fears were not entirely groundless. Experience in Scotland, where responsibility for funding the arts had recently been transferred to lower-tier authorities, suggested that the districts would take a narrow view of their responsibilities and refuse to fund bodies of regional or national importance. It would certainly be necessary to make some additional funds available.

b. Reservations were expressed about the Chief Secretary, Treasury's proposal for a Ministerially determined levy on London ratepayers.

c. It was not clear that all the bodies mentioned in Annex A to the minute of 4 April from the Minister for the Arts deserved central funding. Some appeared to be of mainly local significance.

d. It would be desirable for the longer term to develop the approach which the Arts Council had already begun to introduce of matching from central funds the funding provided by local authorities for certain arts bodies in their areas. This approach ensured that there was some acceptance of local responsibility.

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that the Government should make it plain that there must be reductions in expenditure on grants to undeserving voluntary bodies after abolition. But MISC 95 agreed that it would be necessary to take some special action to preserve worthwhile voluntary endeavours and, in particular, to retain the confidence of minority communities. The Group intended to give further study to proposals by the Home Secretary which were outlined in his minute of 3 April. On Second Reading of the Paving Bill he proposed to say that the Government intended to bring forward proposals to meet the legitimate concerns of voluntary bodies; but that in London especially there had been over-spending which the Government did not intend to validate. It would also be helpful to say in general terms that the Government intended to make provision in the abolition legislation for a system of collective grant-giving. Under this system any borough or district would be able to propose that a particular voluntary body should be jointly funded. If a majority agreed, all boroughs or districts would be obliged to contribute in proportion to rateable value. There would be a limit on the total sum that could be levied in this way; and it would probably be right to require a majority of somewhat more than 50 per cent.

THE HOME SECRETARY said that, although there should be a reduction in local authority expenditure in this area, there was no doubt that many deserving voluntary bodies would face problems after abolition. Besides the proposals outlined by the Secretary of State for the Environment, it would also probably be necessary to deal with the short-term problems of worthwhile projects in a single borough or district facing a sudden collapse in funding after abolition. The proposals outlined by the Secretary of State for the Environment could probably be developed so as to incorporate a description of the projects that could be jointly funded by local authorities: this would allow the courts to exercise better control of spending in this area than had proved possible in the past.

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that the GLC's Historic Buildings Division fulfilled a unique statutory role in relation to the preservation and listing of historic buildings in London. It had a team of experts which enjoyed a national and indeed international reputation. Informed opinion had been unanimous in deploring its breakup. He had therefore agreed with the Historic Buildings and Monuments Commission that the Division should be transferred to them. He would discuss the financial consequences with the Chief Secretary, Treasury with a view to announcing the Government's intentions during the debate on Second Reading of the Paving Bill.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet broadly endorsed the proposals in the minute of 3 April from the Secretary of State for the Environment. However, although they agreed that education in inner London should become the responsibility of a new directly-elected body, they did not agree that it would be right for the Government itself to propose amendments to the abolition Paving Bill to that end. Initially, at least, the Government's stance should be that this was a matter for the main abolition Bill. If there was strong pressure during its passage for provisions to be inserted into the Paving Bill, the matter could be reconsidered in the light of circumstances then prevailing. The Cabinet agreed with the general approach to funding the arts described by the Secretary of State for the Environment. They also agreed that it would be necessary to make some additional funds available. They were not, however, able to decide how large the addition should be. Nor were they persuaded that central funding would be appropriate for all the bodies listed in Annex A to the minute of 4 April from the Minister for the Arts. The Lord President of the Council should arrange a meeting of the Ministers concerned, under his chairmanship, to resolve the remaining issues with a view to making a satisfactorily detailed announcement of the Government's intentions during the debate on Second Reading of the Paving Bill. The Cabinet's decision to make education in inner London the responsibility of a directly-elected body should be announced by the Secretary of State for Education and Science later that day. The remaining decisions would be announced by the Secretary of State for the Environment, on the lines he had proposed, during the debate on Second Reading of the Paving Bill. He should agree any expenditure implications beforehand with the Chief Secretary, Treasury. Until then, the Cabinet's decision should be treated in strict confidence. It would be important over the coming months to

present the abolition policy effectively: to that end all Ministers concerned should formulate clear and concise statements of the Government's general policy and particular decisions under it so that these could be used tellingly in public debate.

The Cabinet -

1. Approved the proposals in the minute of 3 April from the Secretary of State for the Environment to the Prime Minister, subject to the points made in the Prime Minister's summing up.

2. Invited the Secretary of State for Education and Science to announce later that day the Cabinet's decision to make education in inner London the responsibility of a directly-elected body.

3. Invited the Lord President of the Council to arrange for the Ministers concerned to meet under his chairmanship to resolve the outstanding issues on the funding of the arts after the abolition of the Greater London Council and the Metropolitan County Councils.

4. Subject to the outcome of that meeting, and to agreeing any financial implications beforehand with the Chief Secretary, Treasury, invited the Secretary of State for the Environment to announce the Cabinet's decisions on matters other than education in inner London during the debate on Second Reading of the abolition Paving Bill.

Cabinet Office

6 April 1984