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CABINET

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

THURSDAY 21 JUNE 1984

at 9.45 am

P R E S E N T

The Rt Hon Margaret Thatcher MP
Prime Minister

The Rt Hon Lord Hailsham
Lord Chancellor

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

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THE FOLLOWING WERE ALSO PRESENT

The Rt Hon John Wakeham MP
Parliamentary Secretary, Treasury

Mr John Gummer MP
Minister of State, Department of Employment

SECRETARIAT

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

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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.

Trade Union
Bill

THE LORD PRESIDENT OF THE COUNCIL said that the Government had suffered a defeat during the House of Lords Committee Stage of the Trade Union Bill on an amendment requiring elections of trade union officials to be conducted by postal ballot. The amendment, moved by Lord Beloff, had been supported by 85 peers, 48 of whom were Conservatives. This compared with the 43 Conservatives (including 19 members of the Government) in the total of 65 peers who had voted against the amendment. He thought that it would not be possible to reverse the decision at Report Stage in the House of Lords.

THE SECRETARY OF STATE FOR EMPLOYMENT said that he was urgently reviewing the position created by the amendment. It would undoubtedly cause renewed pressure for compulsory postal ballots when the Bill returned to the House of Commons, despite the practical difficulties involved. He would put proposals to colleagues very shortly; in the meantime he recommended that the Government's response to any questions should simply be that the situation was being considered in the light of the amendment.

The Cabinet -

Took note.

FOREIGN
AFFAIRS

India

Previous
Reference:
CC(84) 22nd
Conclusions,
Minute 3

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that there had been no great change in the situation in the Punjab. The Indian Prime Minister, Mrs Gandhi, had addressed a letter to the Prime Minister about the background to the attack on the Golden Temple in Amritsar. The entry visa requirement imposed by the Indian Government on all Commonwealth citizens was creating long queues of visa applicants at the Indian High Commission in London.

Iran/Iraq

Previous
Reference:
CC(84) 22nd
Conclusions,
Minute 3

THE FOREIGN AND COMMONWEALTH SECRETARY said that there was little change to report in the situation in the Iran/Iraq war or in the Gulf area. There had been a march in London by Iranians opposed to the Khomeini regime on the previous day, but it had passed off without drama.

United States
Troop Levels
in Europe

THE SECRETARY OF STATE FOR DEFENCE drew the Cabinet's attention to the amendment recently tabled in the United States Congress which represented an attempt to limit and eventually reduce the deployment of United States troops in Europe unless the Western European allies increased the level of their budgetary contributions to the North Atlantic Treaty Organisation's Alliance. The amendment had not, in the event, been carried. The likelihood of Congressional pressure of this kind had been apparent in very difficult discussions on the infrastructure programme which had taken place in the Eurogroup of Defence Ministers in Brussels in mid-May, and in which the United States Secretary for Defence, Mr Weinberger, had spoken very sharply about the reluctance of the Europeans to increase sufficiently the relevant budgetary contributions. This political pressure had now surfaced on Capitol Hill in the form of the Congressional amendment to which he had referred; but the Administration had succeeded, at any rate for the time being, in resisting it.

The Cabinet -

Took note.

COMMUNITY
AFFAIRS

European
Parliamentary
Elections

3. THE FOREIGN AND COMMONWEALTH SECRETARY said that the European Parliamentary elections had resulted in some changes in political balance in other member states. In Germany the Free Democratic Party, although a partner in the Government coalition, had lost all its seats in the European Parliament, being replaced by the ecological Green Party. In France the party of the extreme right had made substantial gains at the expense of the Communist Party. He had been in touch with the leader of the European Democratic Group about some closer relationship between that Group and the Christian Democratic Party in the new European Parliament, as a means of increasing the effectiveness and reducing the isolation of the British members. In discussion it was pointed out that it was also important not to reduce the links between the European Democratic Group in Strasbourg and the Government and Conservative Party in the United Kingdom. There was no question, however, of any integration between the European Democratic Group and the Christian Democratic Party, only of some closer working relationship.

THE PRIME MINISTER said that it was important to present the results of the European Parliamentary election in the United Kingdom as effectively as possible. The election had been a victory for the Conservative Party, both in terms of the votes cast and of seats won. This was their fourth Parliamentary election victory in a row. In discussion it was pointed out that there was no evidence that the results had been less satisfactory in London than elsewhere. There was no basis for claiming that voters in London had shown support for the continuation of the Greater London Council.

THE FOREIGN AND COMMONWEALTH SECRETARY reported that, at the meeting of the Council of Ministers (Foreign Affairs) on 18-19 June, it had been agreed that budget discipline should continue to be dealt with by the Council of Ministers (Finance). The 1984 budget overrun would now also be examined in detail by the Council of Ministers (Budget) in July. It was possible, therefore, that these points would present less difficulty in the European Council. On the correction of the budget inequity and United Kingdom refunds there was no clear indication of the French President's views. There had been a wide range of bilateral discussions in Brussels on 18-19 June, in which he had made clear that the United Kingdom would be prepared to make a final move if it would clinch a settlement. The French appeared disposed to go in this direction, but other member states continued to be reluctant. In discussion it was pointed out that the prospects did not appear very good and that it would be unwise to expect too much from the European Council. If there was no agreement, there would be serious consequences for public expenditure. Even if there were a settlement, the United Kingdom's net contribution to the Community would require substantial public expenditure, from which it could be argued that the United Kingdom gained no benefit.

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD reported that the New Zealand Government had taken an initiative in Brussels to settle the outstanding question on the arrangements for supplies of butter to the United Kingdom. The New Zealanders had accepted the Commission's proposal but with specific quantities set only for the next three years. This had broken the log jam and an agreement would now be reached. The Council Of Ministers (Agriculture) on 18-19 June had also made useful progress on veterinary matters. Agreement had been reached on an extended regulation on food processing and marketing, on which the United Kingdom had abstained because of the financial implications. He had found it necessary to make clear to other member states that the United Kingdom must be satisfied that the quota/superlevy scheme for milk was being effectively applied in other member states before we would actually charge the levy in the United Kingdom. In discussion it was said that, as the German Government was now requesting agreement to further aid to its farmers, this might be used to the United Kingdom's negotiating advantage. The German request, which effectively reopened one of the elements of the agricultural prices package, had been strongly criticised by a number of other member states and had been refused by the Commission. It was also pointed out that British dairy farmers continued to be very concerned about the details of the arrangements to apply here and that it would be very desirable to give further information, particularly about the hardship provisions, quickly. It was intended that the Statutory Instrument should be laid next week. United Kingdom dairy farmers were beginning to make the necessary adaptations. Milk deliveries in the United Kingdom in May had been down.

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Transport
Previous
Reference:
CC(84) 19th
Conclusions,
Minute 3

THE SECRETARY OF STATE FOR TRANSPORT said that an agreement had now been reached with the Dutch authorities on lower air fares. This could have some effect on the revenues of British airlines but it was an important step towards a more liberal structure. On road transport, it was unsatisfactory that the Germans had apparently now gone back on the agreement reached in a recent Council of Ministers (Transport) on greater liberalisation of road haulage. In discussion the agreement with the Dutch authorities on air fares was welcomed.

The Cabinet -
took note.

INDUSTRIAL
AFFAIRS

Coal Industry
Dispute

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

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Previous
Reference:
CC(84) 22nd
Conclusions,
Minute 5

Cabinet Office
21 June 1984

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CABINET

LIMITED CIRCULATION ANNEX

CC(84) 23rd Conclusions, Minute 4

Thursday 21 June 1984 at 9.45 am

INDUSTRIAL
AFFAIRS

Coal
Industry
Dispute
Previous
Reference:
CC(84) 22nd
Conclusions,
Minute 5

THE SECRETARY OF STATE FOR ENERGY said that 43 pits were working normally, 2 were on annual holiday, 8 were producing coal but at lower levels than normal, and 5 had some miners in attendance but too few to allow production. About 30 miners had reported for duty at the Bilston Glen colliery in Scotland and coal production had started for the first time since the beginning of the strike. It had not been possible to continue production because the local National Union of Mineworkers (NUM) had withdrawn safety cover; but the NUM had withdrawn safety cover at the pit on several previous occasions only to restore it later. Nationally, although miners continued to return to work, they were doing so only in small numbers. It would be helpful if one or more pits in areas outside Nottinghamshire could resume operations. The National Coal Board (NCB) had on 20 June sent letters to all miners appealing to those on strike to return to work, and drawing attention to the generous nature of the pay increase on offer, the fact that there was no immediate prospect of compulsory redundancies, and the danger that pits would be forced to close because of geological factors if the strike continued for much longer. A further letter would be sent by area managers the following week.

After the rioting earlier that week at the Orgreave coke plant, picketing there was now at a much lower level: the pickets would probably try to intercept lorries en route to and from the plant. By the end of the week all stocks of coke at the plant would have been moved; and it would become clear that the President of the NUM, Mr Scargill, had failed in his attempt to block movements. A delegate conference of the NUM was due to take place on 12 and 13 July. Before the previous delegate conference Mr Scargill had organised extensive picketing and violence. He would be desperately anxious before the conference in July to demonstrate that such methods could bring success: so far, he had succeeded in none of his main objectives.

THE SECRETARY OF STATE FOR TRANSPORT said that the number of coal movements by rail during the current week was less than before, mainly because of the blocking of deliveries to the steel works at Ravenscraig and Llanwern. Nevertheless, some 700,000 tonnes of coal were expected to be moved by rail and other means. Some drivers at the Shirebrook depot in Nottinghamshire continued to refuse to work coal trains; there was also similar trouble at the Coalville depot. The British

Railways Board expected the troubles to become less severe as time passed. They were particularly anxious to avoid any provocative action now: the Annual Conference of the National Union of Railwaymen would take place the following week; it would be important to give the militants there no excuse for promoting extreme resolutions.

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that the suspension of deliveries of coal and coke by rail at Ravenscraig and Llanwern had created some problems. Ravenscraig required the equivalent of three train loads of coal every day. It was easier to arrange deliveries by road for five days a week than seven days a week; this required that on days when deliveries took place they should be equivalent to about four train loads. The management at Llanwern had made arrangements for loading coal and coke supplies on to lorries at Port Talbot, but were deferring putting them into effect until after a meeting of the National Union of Blastfurnacemen which was entitled under an agreement with the British Steel Corporation (BSC) to be consulted about loading arrangements. The BSC had the previous week produced 267,000 tonnes of steel only 12,000 tonnes less than the level planned for that week before the strike. It had been made clear to the leaders of the Iron and Steel Trades Confederation (ISTC) that the management would not accept any agreement between them and the NUM or other trades unions involving a cut in steel production. The ISTC had continued to resist requests for such an agreement, and had publicly stated that interference with normal supplies of coal and coke had been responsible for the breakdown of a furnace at the Scunthorpe steelworks.

In discussion, the following main points were made -

a. If production was resumed and maintained at Bilston Glen colliery it would have psychological significance out of all proportion to the amount of coal produced: it would be the first pit in the notoriously militant Scottish coalfield to return to work. There were good prospects for this happening: indeed, at the outset of the strike the men at the pit had voted in favour of working. It was likely that there would be serious intimidation of those who showed themselves willing to return to work. The Chief Constable of the area was fully aware of the need to take every precaution against this.

b. Three pits were nearly at the point at which they would have to be closed because of deterioration resulting from the strike. The NCB would not announce that a pit in this situation would be closed until the need for closure was beyond question. Such an announcement could be expected to have considerable impact in the mining communities, who were already aware, in general terms of the risk of deterioration of pits.

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c. It would be advantageous if the NCB advertised in the national as well as the local media to explain their case. There was still surprisingly widespread lack of understanding of the issues.

The Cabinet -

Took note.

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21 June 1984

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