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CC(75) 11th
Conclusions

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CABINET

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

THURSDAY 6 MARCH 1975

at 11.00 am

PRESENT

The Rt Hon Harold Wilson MP
Prime Minister

The Rt Hon Edward Short MP
Lord President of the Council

The Rt Hon Lord Elwyn-Jones
Lord Chancellor

The Rt Hon Roy Jenkins MP
Secretary of State for the Home Department

The Rt Hon Denis Healey MP
Chancellor of the Exchequer

The Rt Hon Anthony Crosland MP
Secretary of State for the Environment

The Rt Hon Michael Foot MP
Secretary of State for Employment

The Rt Hon Eric Varley MP
Secretary of State for Energy

The Rt Hon Shirley Williams MP
Secretary of State for Prices and
Consumer Protection

The Rt Hon Barbara Castle MP
Secretary of State for Social Services

The Rt Hon Anthony Wedgwood Benn MP
Secretary of State for Industry

The Rt Hon Peter Shore MP
Secretary of State for Trade

The Rt Hon Roy Mason MP
Secretary of State for Defence

The Rt Hon Reginald Prentice MP
Secretary of State for Education and Science

The Rt Hon William Ross MP
Secretary of State for Scotland

The Rt Hon John Morris QC MP
Secretary of State for Wales

The Rt Hon Fred Peart MP
Minister of Agriculture, Fisheries and
Food

The Rt Hon Harold Lever MP
Chancellor of the Duchy of Lancaster

The Rt Hon Lord Shepherd
Lord Privy Seal

SECRET

The Rt Hon Robert Mellish MP
Parliamentary Secretary, Treasury

The Rt Hon John Silkin MP
Minister for Planning and Local
Government

ALSO PRESENT

The Rt Hon Roy Hattersley MP
Minister of State for Foreign and
Commonwealth Affairs
(Items 2 and 3)

SECRETARIAT

Sir John Hunt
Mr B C Cubbon (Item 3)
Mr H F T Smith (Item 2)
Mr P Benner (Item 1)
Mr J Roberts (Item 2)
Mr E J G Smith (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. The Speaker had agreed that the debate on the White Paper about the referendum on United Kingdom membership of the European Community, which was planned for 11 March, might take place on the basis of a Motion for the adjournment, despite the fact that legislation was involved.

It was proposed that the House should rise for the Easter Recess on 27 March and resume on 7 April.

THE PRIME MINISTER said that the British Broadcasting Corporation had recently changed their practice by inviting Ministers to appear in the programme "Any Questions". There were some attractions in accepting such invitations: the programme would provide another platform for the public presentation of the Government's policies, and Ministers could make better use of it for this purpose than could backbench Members of Parliament, to whom invitations had hitherto normally been limited. Moreover, it might afford a useful opportunity of drawing attention to the recent apparent shift in the policy of the Conservative Party towards allowing workers to be laid off when firms were in financial difficulties. But these attractions were more than outweighed by the danger that Ministers would be faced with questions going outside their own areas of responsibility. Furthermore, because of the impossibility of giving stonewalling or defensive replies on a programme of this kind, Ministers might be led into attempting to deal off-the-cuff with matters about which they were not fully briefed. On balance, therefore, it would be best for invitations to take part in this programme to be turned down.

2. The Cabinet had before them a memorandum by the Secretary of State for Defence (C(75) 21) to which was attached a draft of the Statement on the Defence Estimates 1975, together with a minute of 4 March 1975 from the Prime Minister to the Secretary of State for Defence.

THE PRIME MINISTER recalled that at their last meeting the Cabinet had agreed that further consideration should be given to the question of how the defence expenditure figures should be expressed in the Defence White Paper in the light of the fact that the White Paper on Public Expenditure to 1978-79 (Cmnd 5879) had noted that the figures from 1976-77 were provisional. This point had been examined; the figures in the Public Expenditure White Paper were described as provisional only pending final Defence Review decisions after completion of the process of consultation with the allies. It would not

Participation
Radio
programmes
Ministers

STATEMENT
ON THE
DEFENCE
ESTIMATES
1975

Previous
reference:
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therefore be appropriate to describe the figures as provisional in the Defence White Paper. This did not mean that the defence budget figures were now immutable; all public expenditure programmes were liable to review and the defence programme was no exception. Indeed this point had been expressly minuted during the previous Cabinet discussion.

The outcome of consultation with our allies was summarised in his minute of 4 March. The North Atlantic Treaty Organisation (NATO) had expressed considerable disquiet at our proposed reductions particularly in the Mediterranean. Nevertheless, the Defence and Oversea Policy Committee had concluded that we should stand firm on the basic proposals we had put to our allies and only offer certain limited measures to go some way towards meeting the concern which NATO had expressed. These measures, which were described in Chapter I of the Defence White Paper, entailed no increase in the agreed force levels, and the small expenditure involved would have to be met from within the agreed defence budget. Nevertheless in considering the Defence White Paper the Cabinet should note that in this marginal sense it went beyond the proposals which Cabinet had approved for discussion with our allies.

The Cabinet -

Took note, with approval, of the Prime Minister's statement and approved the text of the Statement on the Defence Estimates 1975.

REC
RENEGOTIATION

Previous
reference:
EC(75) 10th
Conclusions,
Minute 4

3. THE PRIME MINISTER said that the Foreign and Commonwealth Secretary and he would be attending the Dublin meeting of the European Council on 10-11 March. The main renegotiation items for discussion in Dublin would be our contribution to the Community budget and access for New Zealand dairy products. On the former a good deal of progress was still required. As regards New Zealand it was clear that they were more interested in price levels than in quantity, but the rate of decline of quantity remained an issue. We had also given notice of our need for assured freedom to control private investment in the steel industry, if necessary involving a review of the Treaty of Paris if the result of the referendum was that we remained a member of the European Community. At Dublin the Foreign and Commonwealth Secretary and he would, of course, be negotiating strictly within the terms of the Manifesto. It was impossible to foresee whether sufficient progress would be made in Dublin to bring the renegotiation process to an end: but, if this were the case, he had given some thought to the situation that would then arise. He had decided that the United Kingdom delegation would do no lobby briefing of any kind. Anything said to the Press should be on the record: and this would be confined to saying that negotiations had gone as far as they could and that he and the Foreign and Commonwealth Secretary would be reporting the results to the Cabinet. He would not say whether, in his view, the terms obtained were good or bad: nor would he say whether he would recommend the Cabinet to accept them or not. A full stocktaking report on the renegotiation process would be circulated to the Cabinet immediately before the weekend of 15-16 March. He envisaged that the Cabinet would meet on Tuesday 18 March to consider their recommendation: and that this would be followed by an early announcement. Following the latter - and if a unanimous recommendation had not been reached - the proposed "agreement to differ" would start. Assuming that this timetable could be achieved he was concerned at the prospect of three months of campaigning on a divisive issue. There might be inducements for the Opposition to restrict obstruction to the Referendum Bill once the Second Reading stage had been completed, and he had asked the Lord President of the Council to consider whether it would be possible to bring forward the date of the referendum. When the Cabinet met to consider their recommendation he would also circulate guidelines within which Ministers would operate the proposed "agreement to differ". It was clearly of the greatest importance to the Government's cohesion as a whole to avoid emotive or personalised campaigning by members of the Government.

In discussion it was suggested that before the meeting of the European Council the Cabinet should consider the position over the whole renegotiation field, so that the opportunity could be taken at Dublin to raise all the matters about which we were still concerned. It could be argued, for example, that our approach to the Common Agricultural Policy (CAP) had not hitherto been sufficiently

fundamental and that we should press for further changes on tariffs and levies in order to improve access for food imports. Also, it was not clear what progress we should make over steel in view of the Treaty provisions, and Ministers had yet to conclude their review of the Parliamentary aspects, which raised questions about the Treaty of Rome itself. But it was pointed out that the renegotiation had been conducted throughout on the basis of a number of specific and agreed objectives. The Dublin meeting would be concerned with the outstanding points, including the New Zealand and budgetary questions, on which a decision was essential before the Government could reach a decision. It would not be justifiable to raise new issues at this stage or to reopen ones that had been settled. Moreover if we remained members of the Community, we would continue to pursue a number of our objectives further in the continuing business of the Community - for example in the stocktaking of the CAP and in the multilateral trade negotiations - and it was clear that our negotiating strength in the Community would be substantial. The renegotiation had been linked from the outset with the continuing business of the Community: and if we remained a member reform of the Community would not stop with the end of renegotiation.

It was also urged that before the Cabinet took a final decision on the outcome of renegotiation after the Dublin meeting, the Parliamentary Labour Party (PLP) should be given an opportunity to express views. A PLP meeting, to which the Government could not give a clear lead, might present difficulties, particularly for the Foreign and Commonwealth Secretary, who as the Minister conducting the renegotiation would be expected to have formed a view on whether he had been successful. But the importance and sensitivity of the issue made it necessary to find some acceptable way of involving the PLP before the Cabinet decision was reached. It should be possible to present the outcome in the form of a general checklist, such as the Prime Minister had given in his speech to the London Labour Mayors on 7 December. A PLP meeting after the Cabinet decision could raise problems if any Ministers at that time differed from the majority view.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet and Ministerial Committees had held a number of full discussions about the conduct of renegotiation and about our objectives in the different sectors. The matters to be raised at Dublin would be the small number of outstanding items which he had mentioned. It was not necessary for the Cabinet to have a further discussion before the meeting. After the Dublin meeting he hoped that it would be clear how far the other members of the Community were prepared to go in meeting our renegotiation objectives, but no agreement would be reached there about the outcome of the renegotiation as a whole and he would speak to the Press on the lines he had proposed. The time for

the Cabinet to review the renegotiation package as a whole would therefore come after the Dublin meeting. The Cabinet agreed that the PLP should meet to express views, but without a resolution or vote, on the outcome of renegotiation before the Cabinet took their final decision. The Cabinet should therefore start their discussion on Monday 17 March with an elucidation and stocktaking of the outcome under each item of the Manifesto. He would arrange for the papers before the Cabinet also to include a report on the consequences and implications of withdrawal from the Community. He would himself open the discussion at a meeting of the PLP the same evening, with a presentation of the outcome of renegotiation, without giving any recommendation. The Cabinet would meet again on 18 March to evaluate the package as a whole and reach their decision.

The Cabinet -

Took note, with approval, of the Prime Minister's summing up of their discussion.

Cabinet Office

6 March 1975

