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CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 15 MAY 1986
at 10.30 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 of St Marylebone
Lord Chancellor

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Affairs

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer

The Rt Hon Douglas Hurd 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 Defence

The Rt Hon Nicholas Edwards MP
Secretary of State for Wales

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
Chancellor of the Duchy of Lancaster

The Rt Hon Tom King MP
Secretary of State for Northern Ireland

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

The Rt Hon Nicholas Ridley MP
Secretary of State for Transport

The Rt Hon Kenneth Baker MP
Secretary of State for the Environment

The Rt Hon Kenneth Clarke QC MP
Paymaster General

The Rt Hon John MacGregor MP
Chief Secretary, Treasury

The Rt Hon Paul Channon MP
Secretary of State for Trade and Industry

ALSO PRESENT

The Rt Hon John Wakeham MP
Parliamentary Secretary, Treasury

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SECRETARIAT

Sir Robert Armstrong
Mr D F Williamson (Items 3-6)
Mr C L G Mallaby (Items 3-6)
Mr A J Langdon (Items 1 and 2)
Mr M J Eland (Items 1 and 2)

C O N T E N T S

Item	Subject	Page
1.	MESSAGE FROM THE QUEEN The Queen's Birthday	1
2.	PARLIAMENTARY AFFAIRS House of Commons Privileges Committee Report Social Security Bill Presentation of Government Policy: The National Health Service Channel Tunnel Bill Demonstrations in Wapping Prisons Dispute	1 1 2 2 3 4 4
3.	FOREIGN AFFAIRS Syria Nuclear Power Disaster in the Soviet Union South Africa India Visit by the Secretary of State for Northern Ireland to the United States United States Tourism in the United Kingdom	5 5 6 6 6 7
4.	COMMUNITY AFFAIRS Community Action Following Chernobyl Nuclear Accident European Court of Justice Case No 222/84	7 8
5.	NORTHERN IRELAND AFFAIRS	8
6.	ECONOMIC AFFAIRS Unemployment Power Workers' Negotiations	8

MESSAGE FROM
THE QUEEN

The Queen's
Birthday

Previous
Reference:
CC(86) 16.1

1. THE PRIME MINISTER said that The Queen had sent her a message, asking her to convey to the Cabinet The Queen's gratitude for the message of congratulations and good wishes sent to her on her birthday on 21 April, and for the card in which that message had been expressed.

The Cabinet -
Took note.

PARLIAMENTARY
AFFAIRS

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

House of
Commons
Privileges
Committee
Report

Previous
Reference:
CC(86) 19.1

THE LORD PRESIDENT OF THE COUNCIL said that, in accordance with the decision at the previous week's Cabinet, he had reviewed the handling of the forthcoming debate of the Privileges Committee report with the Lord Privy Seal, the Chancellor of the Duchy of Lancaster, the Secretary of State for Trade and Industry and the Parliamentary Secretary, Treasury. Their main conclusion had been to confirm that the overriding consideration must be to make it clear that this was a House of Commons matter, and to ensure that the Government remained disengaged. This would best be achieved by leaving Cabinet Ministers and other members of the Government entirely free to vote on either side of the issue. That would be in accordance with the precedent of what had been done in the case of the recent debate on televising proceedings in the House of Commons, and with the handling by the then Government of the debate in 1975 of the report of the Privileges Committee in the case of a leak involving The Economist. A free vote was perfectly acceptable to the Lord Privy Seal and the Attorney General, as members of the Privileges Committee.

Amendments had already appeared to reduce or remove the penalties proposed by the Privileges Committee. Additionally, he and his colleagues had concluded that it would be well worth ensuring that the opportunity was taken of using the debate to ventilate the question of Select Committees being enabled to deliberate in public. At present they could only take evidence in public. A change to deliberating in public would be in line with ideas of open government and might induce a greater sense of responsibility in Select Committees. If the Cabinet agreed, a backbench amendment would be tabled to expose the issue, and steps would also be taken to ensure that the debate took full account of recent occasions when privilege had been abused to make allegations of criminal conduct.

THE PRIME MINISTER said that the Cabinet were grateful to the Lord President of the Council for supervising the handling of this issue, and agreed with all his recommendations.

The Cabinet -

1. Invited the Parliamentary Secretary, Treasury to handle the forthcoming debate on the lines proposed by the Lord President of the Council.

Social Security Bill

THE SECRETARY OF STATE FOR SOCIAL SERVICES said that the Social Security Bill had been successfully negotiated through 160 hours of debate in Standing Committee without any concessions of significance having to be made. It was likely, however, that the Report Stage in the following week would prove more difficult. In particular, an amendment had been tabled by Sir Brandon Rhys-Williams MP proposing the indexation of child benefit. This had a certain amount of support amongst Government backbenchers. He was fully seized of the importance of resisting such an amendment and had a reasonable expectation of success.

The Cabinet -

2. Took note.

Presentation of Government Policy: The National Health Service

THE PRIME MINISTER said that the Government was facing increasing criticism in areas to which they had devoted substantial additional resources. The most notable example was the National Health Service (NHS). It was clear that health, together with education and unemployment, were the issues that were becoming increasingly dominant in the public mind. It was vital that the measure of the Government's achievements was put forcefully across. A co-ordinated operation was needed to ensure that the facts were made more widely known, and all members of the Cabinet would need to participate in such an exercise.

In discussion the following points were made -

- a. It was important to involve the Government's supporters both in Parliament and outside in such an exercise and to see that it had a strong local dimension. Photographs of new hospitals and indicators of local improvements with which people could identify made a greater impact than quotations of national statistics, impressive though these were.
- b. An obstacle to effective transmission of this message were the vested interests within the NHS who would always campaign for whatever provision was made. The Opposition parties could always promise better provision, and the Government faced the problem that their achievements were now being taken for granted. It was necessary to counter the lobbying of Members of Parliament by

various NHS interests, by ensuring that they were in full possession of the facts relating to their particular areas.

c. Part of the problem stemmed from the underlying reallocation of resources between health authorities: it was a classic example of the losers in such an exercise being more vociferous than the gainers. More might be done to mobilise support amongst the latter. It was also important to stress that this reallocation was a long-standing, coherent and deliberate policy to match resources need.

d. Other areas of Government success would also benefit from such treatment - for example, the provision for pensioners. It was a notable achievement that the Government had been able to protect the position of pensioners despite a severe economic recession and a substantial increase in the number of pensioners. The continued reduction in inflation was of particular benefit to pensioners. The Government also had an excellent record on provision for the disabled.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that there should be a concerted effort, involving all members of the Cabinet, to ensure that the facts of the Government's achievements in providing additional resources for the NHS were presented as effectively as possible. There would need to be a strong local dimension to such an exercise. Other areas of Government achievement might benefit from similar treatment, but the immediate concentration should be on the NHS. She would discuss how best to carry this forward with the Lord President of the Council, the Chancellor of the Duchy of Lancaster, the Secretary of State for Social Services and the Paymaster General.

The Cabinet -

3. Took note, with approval of the Prime Minister's summing up of their discussion.
4. Noted that the Prime Minister, in consultation with the Lord President of the Council, the Chancellor of the Duchy of Lancaster, the Secretary of State for Social Services and the Paymaster General, would consider further how the Government's achievements might best be presented.

Channel
Tunnel Bill

THE SECRETARY OF STATE FOR TRANSPORT said that opponents of the Channel Tunnel Bill had been exploiting procedural difficulties in order to prevent its progress. He had been working, in close consultation with the Parliamentary Secretary, Treasury, to overcome these problems and he hoped that it would be possible to complete consideration of the Bill by the Standing Orders Committee early in the following week, so that the

Bill could have its Second Reading in the House of Commons soon after the House returned from the Spring Adjournment.

THE PRIME MINISTER said that it was essential that the Bill made progress. The opponents of the measure needed to be reminded that the construction of the Channel Tunnel would stimulate private sector expenditure on infrastructure of some £3.5 billion and create 65,000 man-years of work spread through the country.

The Cabinet -

5. Took note.

Demonstrations in Wapping

THE HOME SECRETARY said that demonstrations against Mr Rupert Murdoch's printing enterprise in Wapping continued every few days. The violence of the demonstrations, and their demands on police resources, were rising, and the situation appeared to be getting beyond the control of the Society of Graphical and Allied Trades (SOGAT). It would not be right for the Government to seek to influence the dispute that underlay the demonstrations, but there was a need to bring SOGAT and the police into closer liaison. At a meeting the previous week with SOGAT representatives and Labour Members of Parliament the Minister of State, Home Office, had asked SOGAT to recognise that violence was the inevitable outcome of these continued demonstrations, but SOGAT's response was that they had no other way to promote their cause within the law.

Prisons Dispute
Previous Reference:
CC(86) 19.1

THE HOME SECRETARY said that talks had continued between the Permanent Under Secretary of State, Home Office, and representatives of the Prison Officers' Association (POA). The Government's position had now been set out in a letter, which had been made available to Parliament in a Written Answer. The POA were claiming that they had won the right to negotiate manning levels that lay at the heart of their campaign, but the Home Office letter made it clear that this was not the case. It was expected that the POA would ballot their members to call off their mandate for industrial action after their annual conference the following week. The report by PA Management Consultants on shift systems and complementing in prisons had confirmed that the level of waste was of the order of 15 to 20 per cent. The publication of the report had been timely. All in all, the situation was developing in a reasonably satisfactory manner.

The Cabinet -

6. Took note.

FOREIGN
AFFAIRS

Syria

3. THE FOREIGN AND COMMONWEALTH SECRETARY said that a Jordanian citizen, Mr Nezar Hindawi, was in custody, having been charged with conspiring to commit murder through the destruction of a passenger aircraft in service. The case was sub judice. The trial might not take place for some months. In the course of the investigations, the police had obtained evidence which suggested the complicity of the Syrian authorities. The Government had asked the Syrian Ambassador to waive the diplomatic immunity of three members of the Syrian Embassy in London, so that they could be questioned by the police. The Syrian Government had refused to waive diplomatic immunity, and had placed unacceptable conditions on any police interviews with the three members of the Embassy; they had therefore been asked to withdraw these three officials. In retaliation, the Syrian Government had requested the withdrawal of three members of the British Embassy in Damascus. The action taken by the Government was generally seen as sufficient. There had, however, been some first reactions, for instance in the United States and Israel, that this incident showed that Syria was just as much involved in sponsoring international terrorism as was Libya. Snap judgments of this kind could lead to suggestions that the international community should take measures against Syria on the lines of those taken against Libya. The question of Syrian complicity in international terrorism was now, however, being considered more carefully in the United States. Any question of measures or action against Syria would be very difficult for the United States, as well as for other countries. For one thing, the United States needed the help of Syria in seeking the release of hostages still held in Lebanon.

Nuclear Power
Disaster in
the Soviet
Union

Previous
Reference:
CC(86) 19.1

THE FOREIGN AND COMMONWEALTH SECRETARY said that the broadcast on the previous evening by the General Secretary of the Communist Party of the Soviet Union, Mr Mikhail Gorbachev, on the Chernobyl disaster had not added significantly to the available information about the affair. The broadcast had been an attempt to restore the international credibility of the Soviet Union. Mr Gorbachev had proposed international arrangements for early warning of nuclear accidents; in this, he appeared not to have gone further than ideas already in the minds of Western governments. He had extended the moratorium on nuclear testing by the Soviet Union until 6 August, the anniversary of the nuclear bomb in Hiroshima; this was a transparent propaganda ploy which might not arouse much response.

In discussion, the following points were made -

- a. The special monitoring arrangements introduced in the United Kingdom as a result of the Chernobyl incident would probably be discontinued before the following weekend. The levels of some individual readings from the monitoring in the period since the disaster might attract attention. In general, the political repercussions in the United Kingdom of the disaster seemed to have been less great than those in the Federal Republic of Germany, where the Green Party had gained considerably in the opinion polls.

b. Mr Gorbachev's broadcast had been well calculated to give an impression of concern at the disaster, and there was a possibility that its propaganda effect would be considerable.

South Africa

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Commonwealth Group of Eminent Persons was currently visiting South Africa. It was too soon to predict the result of the visit.

Previous Reference:
CC(86) 19.2

India

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Prime Minister of India, Mr Rajiv Gandhi, had reshuffled his Cabinet for the third time in 18 months. The new Foreign Minister, Mr Shiv Shankar, retained his existing portfolio of commerce; he was thus likely to be influenced considerably by officials in the Ministry of External Affairs, who were notably critical of the United Kingdom.

Previous Reference:
CC(86) 18.2

Visit by the Secretary of State for Northern Ireland to the United States

THE SECRETARY OF STATE FOR NORTHERN IRELAND said that during a visit to the United States, which had ended on the previous day, he had been well received and had met considerable numbers of key political figures, including some of the leaders of the Democratic Party who were most interested in Irish affairs. He had argued that, against the background of the specific mention of extradition in the declaration on terrorism issued by the Tokyo Economic Summit on 6 May, it would be a serious matter if the proposed Supplementary Extradition Treaty between the United States and the United Kingdom were not concluded. It was now generally recognised among politicians in Washington that the proposed Treaty should be concluded but the debate continued on the form it should take. One possible compromise, which was currently receiving attention, would be to bring the text closer into line with the European Convention on the Suppression of Terrorism. This would be a presentational rather than a substantive change. The outcome of the debate remained uncertain.

Another aspect of United States attitudes to Northern Ireland gave cause for concern. In various State Legislatures in the United States there were moves to pass resolutions forbidding the pension funds of the States concerned from investing in companies whose subsidiaries in Northern Ireland did not observe the so-called McBride principles. These principles had been put forward by Mr Sean McBride, holder of the Lenin Peace Prize as well as the Nobel Peace Prize and some time Chief

of Staff of the Irish Republican Army. They purported to be concerned with non-discrimination in employment but in fact included provisions which were unreasonable.

In a short discussion, it was noted that the visit by the Secretary of State for Northern Ireland to the United States had received positive coverage in the British media.

United States
Tourism in
the United
Kingdom

In discussion, it was noted that the Government were doing everything possible to counter the very serious reduction in the numbers of United States tourists visiting the United Kingdom, caused partly by absurd exaggerations in the United States of the risks from terrorism in Britain and on British airlines. The Prime Minister had raised the matter with the United States President during the Tokyo Summit and had spoken on United States television, stressing that British cities were far safer places than many American cities. The Foreign and Commonwealth Secretary had also spoken to the United States Secretary of State, Mr George Shultz. The British tourist authorities were working to persuade more Americans to visit this country. This would be difficult; for one thing, there were vested interests in the United States, such as the domestic tourist industry and the retail petrol companies, which would gain from a boom in domestic tourism. The drop in American bookings on British airlines had contributed to decisions by British Airways and British Caledonian Airways each to declare 1,000 staff redundant. The record of British airlines with regard to safety and to air piracy was to date impeccable, and far better than that of other airlines, such as Alitalia, which some Americans considered more safe. The good record of British airlines should be stressed as much as possible in public.

The Cabinet -

Took note.

COMMUNITY
AFFAIRS

Community
Action
Following
Chernobyl
Nuclear
Accident

4. THE FOREIGN AND COMMONWEALTH SECRETARY said that the Council of Ministers (Foreign Affairs) on 12 May had introduced until 31 May a Community import ban on certain foodstuffs from seven countries of Eastern Europe following the nuclear accident at Chernobyl in the Soviet Union. Agreement had also been reached on the application of safety standards to certain foodstuffs in intra-Community trade and on advice to travellers in the areas most affected by the accident. These matters would be subject to review within the Community next week.

European Court of Justice Case No 222/84

THE SECRETARY OF STATE FOR NORTHERN IRELAND said that the European Court of Justice had given a ruling that day on certain points referred to it by the Belfast Industrial Tribunal in a case brought by a former member of the Royal Ulster Constabulary Reserve against the Chief Constable. The applicant, who for security reasons was referred to in the case as Mrs J, claimed that it was discriminatory that as a woman she had been refused training in and the use of firearms and that she had suffered unlawful discrimination when in consequence her contract had not been renewed as no job was available for her. The important issue in the case was that the European Court of Justice had ruled that a certificate issued by the Secretary of State for Northern Ireland derogating, on grounds of public security, from equal treatment for men and women did not rule out a judicial review. The full judgment had not yet been received and would have to be examined carefully.

The Cabinet -

Took note.

NORTHERN IRELAND AFFAIRS

Previous Reference: CC(86) 14.1

5. THE SECRETARY OF STATE FOR NORTHERN IRELAND said that exploratory "talks about talks" between the leader of the Ulster Unionist Party, Mr James Molyneaux, and the leader of the Democratic Unionist Party, Mr Ian Paisley, on the one hand and senior officials of the Northern Ireland Office on the other had been due to start on 13 May. The unionist leaders had decided not to proceed. The unconvincing pretexts for this decision suggested that the influence on them of hard-line elements among unionists had again increased. The unionist campaign against the Anglo-Irish Agreement was likely to be stepped up. There might be more stunts like one earlier that morning when 20 members of the Northern Ireland Assembly had sought to occupy the office at Stormont of the Parliamentary Under-Secretary of State (Mr Richard Needham). The Secretary of State said that he would seek to reinstate the plans for "talks about talks" with the unionist leaders; but this would not be easy.

The Cabinet -

Took note.

ECONOMIC AFFAIRS

--- Unemployment

Previous Reference: CC(86) 12.4

6. THE PAYMASTER GENERAL said that the unemployment figures to be released that day would show an increase in the seasonally adjusted figure of about 3,000 and in the total figure of just over 1,000. The total number of persons in employment, however, had increased by 269,000 in 1985 and a million new jobs had been created in the United Kingdom since the spring of 1983. For employment generally the rise in unit wage costs was a matter of great concern.

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In discussion it was pointed out that output by manufacturing industry was expected to be slightly down. The trend of unit wage costs was certainly worrying. The economy was in a flat period: the beneficial effects on output of the decline in inflation would be felt but were subject to some time lag, as had been apparent in the opposite direction when oil prices had risen in the 1970s.

The Cabinet -

Took note.

Power
Workers'
Negotiations

THE SECRETARY OF STATE FOR ENERGY said that negotiations between the Electricity Council and the unions in the electricity supply industry had now reached a stalemate. Public presentation of the situation had concentrated on the rejection by the unions the previous day of the 6.2 per cent pay offer from the Council but the real area of difficulty was the lack of progress on the question of a new bridging grade between industrial staff and the engineers. This was being strongly advocated by the Electrical Electronic, Telecommunications and Plumbing Union, as they wanted their members to allow to do certain work traditionally the preserve of the engineers, for that reason the grade was being equally strongly resisted by the Electricity Power Engineers Association. It was still possible that a formula might be found to accommodate both parties, though it was difficult to see what this might be. There was, however, still time to explore the possibilities, as the first step in industrial action - a national overtime ban - was not due to take effect until 25 May. For the present he thought it would be counter-productive for the Government publicly to become involved in the dispute.

In discussion it was argued that if the real cause of the problem was an inter-union dispute, there might be advantage in publicising this fact. The current media concentration on pay levels was more likely to lead to blame for the breakdown of talks and possible future industrial action being attached to the Government. Against this, such publicity would lead to the two unions becoming entrenched in their positions and thus make the dispute more difficult to resolve. It was not thought that the unions concerned wanted to take industrial action if it could be avoided.

THE PRIME MINISTER, summing up the discussion said that the Cabinet agreed that the inter-union dispute should not be highlighted at the present time and that the Government should not become publicly involved in the dispute. The situation, however, needed to be monitored carefully, and urgent attention should be given to the presentation of the Government's position on the issue.

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The Cabinet -

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

Cabinet Office

15 May 1986

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