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CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 19 FEBRUARY 1987
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 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 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 Nicholas Ridley MP
Secretary of State for the Environment

The Rt Hon Lord Young of Graffham
Secretary of State for Employment

The Rt Hon Kenneth Baker MP
Secretary of State for Education and Science

The Rt Hon Kenneth Clarke QC MP
Paymaster General

The Rt Hon John MacGregor MP
Chief Secretary, Treasury

The Rt Hon Malcolm Rifkind QC MP
Secretary of State for Scotland

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

The Rt Hon John Moore MP
Secretary of State for Transport

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 and 4)
Mr C L G Mallaby (Items 3 and 4)
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.	PARLIAMENTARY AFFAIRS	1
	Debate on the Report of the Sizewell B Public Inquiry	1
	Teachers' Pay and Conditions Bill	1
	Access to Personal Files Bill	2
	Rover Group Corporate Plan and Leyland Trucks	2
	Public Order (Northern Ireland) Order	3
2.	HOME AFFAIRS	
	Tamils Claiming Political Asylum in the United Kingdom	3
3.	FOREIGN AFFAIRS	
	Soviet Union	5
	Lebanon	6
	Nigeria	6
	Spain	6
	Incident Involving a Submarine of the United States Navy	6
	Republic of Ireland	7
	Possible Meeting of Finance Ministers	7
4.	COMMUNITY AFFAIRS	
	Proposed Oil and Fats Tax	7
	Transport	8
	Community Budget 1987	8

PARLIAMENARY
AFFAIRS

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

Debate on
the Report
of the
Sizewell B
Public
Inquiry

Previous
Reference:
CC(87) 2.1

THE SECRETARY OF STATE FOR ENERGY said that the purpose of the debate on the Report of the Sizewell B Public Inquiry on Monday 23 February was to enable him to listen to the views of the House of Commons before reaching his decision and was not an occasion for a vote for or against the recommendations. He had agreed with the Lord Privy Seal and the Chief Whip that, following the precedent of the Stansted Airport Inquiry, the debate would take place on a Motion for the Adjournment and that if the official Opposition precipitated a division members of the Government and its supporters would not vote. The Opposition had been informed of this intention; it was not yet known whether they would seek a division but as the Friends of the Earth had written to all Members of Parliament urging them to vote against the Motion to show their rejection of the Report it seemed likely that a division would be called. It was of the greatest importance that Ministers should avoid comment of any kind on the conclusions of the Report until he had announced his decision.

Teachers'
Pay and
Conditions
Bill

Previous
Reference:
CC(87) 2.2

THE SECRETARY OF STATE FOR EDUCATION AND SCIENCE said that he was extremely grateful to the Lord President of the Council and the main Government spokesman on the Bill, Lord Belstead, for the adroit way in which they had secured the passage of the Teachers' Pay and Conditions Bill through the House of Lords with only minor non-Government amendments being made. The House of Commons were to consider the House of Lords amendments on Thursday 26 February. Assuming all went well on that occasion the present plan was for Royal Assent to be announced on Monday 2 March. He would follow this with a statement on the same day setting out the new pay scales and terms and conditions which he intended to introduce. This would include some small variations in the offer currently on the table, as a minor gesture towards the unions' position, but the total cost would remain within the agreed amount. He would clear the contents of this statement with colleagues. He also proposed to set his proposals out in a letter to all headteachers and full page advertisements in the national press. The first increase in pay would appear in pay packets in May and include a substantial measure of back pay to 1 January. Two unions were currently balloting their members about industrial action and it was quite possible that some selective disruption would take place in March. It was most important that the Government should keep public opinion on its side: this was the most effective sanction against further disruption by teachers.

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Access to
Personal
Files Bill

THE LORD PRESIDENT OF THE COUNCIL said that he had held a meeting earlier that week with the Ministers most concerned to discuss the handling of the Private Member's Bill on access to personal files sponsored by Mr Archie Kirkwood MP. The meeting had considered proposals which had emerged from discussions with the Bill's sponsors which would involve a considerable narrowing of its scope. It had become clear, however, in the course of discussion that, while some features of the amended Bill were acceptable, others - particularly those concerned with education records - were not satisfactory without further amendment. There had also been general concern that the enforcement provisions were likely to place an unacceptable new burden on the courts and create new bureaucracy. The meeting had therefore concluded that the best course was for the Minister of State, Home Office to tell the Bill's sponsors, that while the Government would not seek to prevent the Bill receiving a Second Reading, he would make clear in his speech in that debate that the Bill was still in a form unacceptable to the Government and that unless substantial amendments were made the Government would vote against the Bill at Third Reading.

The Cabinet -

1. Took note.

Rover Group
Corporate
Plan and
Leyland
Trucks

THE PRIME MINISTER said that the Steering Committee on Economic Strategy, Sub-Committee on Economic Affairs (E(A)) had met earlier that morning to consider the new Corporate Plan submitted by the Rover Group Board and a recommendation by the Board for a merger of Leyland Trucks and some related businesses with the Dutch truck manufacturers DAF. E(A) had approved both the Corporate Plan and the merger proposal. Subject to any views of colleagues the Secretary of State for Trade and Industry would make an oral statement that afternoon announcing the decisions.

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that before Christmas he had announced that the Rover Group were in discussion with DAF and with the American company Paëcar on measures that might be taken to restructure their truck production and related businesses. The Rover Group Board had concluded that the DAF proposals were much the best on financial grounds and had made a recommendation to that effect. The decision would be a key element in the Corporate Plan which looked forward over the following five years.

The Cabinet -

2. Endorsed the decision of the Steering Committee on Economic Strategy, Sub-Committee on Economic Affairs to approve the Corporate Plan put forward by the Rover Group Board and the Board's recommendation for a merger between Leyland Trucks and associated businesses and the Dutch Truck manufacturers DAF.

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3. Invited the Secretary of State for Trade and Industry to announce these decisions in the House of Commons that afternoon.

Public Order
(Northern
Ireland)
Order

THE SECRETARY OF STATE FOR NORTHERN IRELAND said that the Public Order (Northern Ireland) Order which was being laid later that day updated public order legislation in Northern Ireland following representations from the Royal Ulster Constabulary. Some of the changes, particularly those concerning marches and processions, and the carrying of flags and wearing of emblems, were likely to be criticised by the unionist parties who would seek to maintain that they had resulted from pressure from the Irish Government.

The Cabinet

4. Took note.

HOME AFFAIRS

Tamils
Claiming
Political
Asylum in the
United
Kingdom

2. THE HOME SECRETARY said that a serious threat to immigration control was being posed by Tamils from Sri Lanka travelling to Britain, usually by way of third countries, and claiming political asylum on specious grounds. He had that week ordered the removal of 58 such Tamils who had arrived at Heathrow Airport from Bangladesh. An application had been made for judicial review of his decision and this was due to be heard in the Divisional Court the following Monday: the Tamils' legal representative had also been successful in obtaining an order from the High Court staying the execution of the removal orders in the meantime. The final resolution of the proceedings might well be delayed by the Tamils taking their case to appeal. By coincidence, the House of Lords would give judgment that afternoon in a case that bore on the appeal rights of applicants for asylum. So long as applicants making worthless claims for asylum were able to avail themselves of the legal protections designed for sound claims, there was a gaping loophole in the immigration law. The present protections were meant for those who, under the United Nations Convention on Refugees, had a well founded fear of persecution, and the present cases illustrated how they might be exploited by anybody coming from a part of the world where there happened to be conflict and violence. Until the loophole was closed there was a clear risk of further number of Tamils arriving here, and of increasing difficulty in sending them back to the countries from which they had travelled. He therefore intended to mobilise Parliamentary and public opinion in ways that would not prejudice his contesting the present legal proceedings with the utmost vigour. He believed, too, that it was important to maintain the sanction of detention in the present circumstances; he had directed that space should be found for the purpose in the prisons, despite their gross overcrowding, and might be approaching other colleagues for their assistance. He believed that it

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might be useful to mobilise action in the European Community, other members of which faced similar problems, and he had it in mind to consult the Foreign and Commonwealth Secretary about the possibility of inviting the Belgian Presidency to convene a Ministers of the Interior meeting on the subject. Finally, there was a strong case for imposing sanctions on airlines who brought to this country people who required visas without the necessary documentation. At present, airlines themselves bore the cost of removing such passengers when that was ordered, but there was no power in Britain to impose financial penalties on airlines in those circumstances. Some other countries possessed such a power, and there was a very good case for taking it in Britain.

In discussion the following main points were made -

- a. While there was a strong case for taking power to impose financial penalties on airlines as the Home Secretary had suggested, it should be recognised that bogus refugees could reach the country by other means of transport. The public's main anxiety would not be focussed on the misbehaviour of the carriers but upon the vulnerability of the immigration system to ingenious legal evasion and challenge.
- b. The field of immigration was but one example of an area in which judicial involvement had been taken too far. The proper functioning of the executive was being eroded by the expansion of judicial review. This raised constitutional questions of the greatest importance.
- c. The public's patience had been too much tried by citizens of other countries coming to Britain to batten on British social security benefits. There was, in particular, much dissatisfaction about the ease with which people could come to Britain from the Irish Republic simply to enjoy higher standards of social provision.

THE PRIME MINISTER, summing up the discussion, said that the present case of the Tamils touched on a number of related issues that demanded attention. Most immediately, the Cabinet agreed that urgent legislation should be introduced, if necessary, to enable financial penalties to be imposed on airlines that brought people requiring visas to Britain without proper documentation, and that she should make it clear in answering questions in the House of Commons that afternoon that the Government had this under urgent consideration. The question of retrospectivity for that and any other legislation that might be introduced to deal with these matters would require careful attention. More generally, the Cabinet was disturbed at the increasing extent of judicial review and the way this was blurring the hitherto accepted boundary between issues of law and policy. The Law Officers should be asked for their advice on what might be done to protect the legitimate interests of the Government in this field, and improvements to the immigration law should be considered in the light of that advice and the outcome of the present cases before the courts. As regards the protection of the social security system from exploitation by citizens of

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other countries, the Secretary of State for Social Services should consider the possibility of making it a condition that supplementary benefit payments would be restricted to people who had been resident in the United Kingdom for, say three years. Unease about the special position accorded to Irish citizens had been reflected by the Ministerial Group on Local Government Contingencies which had recently asked the Home Secretary to review the voting rights in Britain that were extended to Irish citizens. The special position of Irish citizens under British nationality law might need to be considered more widely when the results of that review and the Secretary of State for Social Services's consideration of supplementary benefit payments were both to hand.

The Cabinet -

1. Took note that the Prime Minister, in answering questions in the House of Commons that afternoon, would announce that the Government had under urgent consideration the introduction of legislation to enable financial penalties to be imposed on airlines that brought people requiring visas to this country without proper documentation.
2. Invited the Secretary of the Cabinet to arrange for the advice of the Law Officers to be obtained on the possibilities for reducing the scope of judicial review and other means of judicial questioning of Government decisions, especially in the field of immigration control.
3. Invited the Home Secretary, in the light of the Law Officers' advice, to consider bringing forward legislation for a future session of Parliament that would reduce the extent to which the immigration control system could be exploited and evaded.
4. Invited the Secretary of State for Social Services to consider the possibility of restricting supplementary benefit payments to people who had been resident in the United Kingdom for a specified time.

FOREIGN
AFFAIRS

Soviet
Union

Previous
Reference:
CC(87) 5.4

3. THE FOREIGN AND COMMONWEALTH SECRETARY said that the large conference, or "peace forum", which had just concluded in Moscow had been predominantly a propaganda event. The Government had dissuaded from attendance most of the British people who had been invited. The speech by the General Secretary of the Communist Party of the Soviet Union, Mr Mikhail Gorbachev, had contained no new proposals on arms control. Meanwhile, there were contradictory indications of Soviet policy towards dissidents, and it was clear from Mr Gorbachev's recent speeches that he was encountering resistance to some of the changes in the Soviet Union that he favoured. The Government's public attitude should be to welcome any movement regarding dissidents and to press for the release of more dissidents.

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Lebanon THE FOREIGN AND COMMONWEALTH SECRETARY said that, despite the very limited power enjoyed by the President of Lebanon, Mr Amin Gemayel, it had been right for the Prime Minister and himself to receive Mr Gemayel during the latter's private visit to London earlier that week. The Government had sent through Mr Gemayel a clear message to Syria that there was no change in British policy regarding that country. There had been discussions with President Gemayel about the plight of the Archbishop of Canterbury's Special Representative, Mr Terry Waite, who was still held in Lebanon; but Mr Gemayel's scope for action in this matter was very slight. Mr Gemayel had been dismissive about the plight of the Palestinians in refugee camps in southern Lebanon. In fact, however, the situation in the camps was serious. The Government was ready to consider further requests for emergency aid, if means could be found of conveying the aid to the camps.

In a brief discussion, it was noted that the many rumours about the plight of Mr Waite were contradictory and there was no certain news about him. The Government remained in close touch with the Archbishop of Canterbury. Mr Waite's detention might last for a considerable time.

Nigeria THE FOREIGN AND COMMONWEALTH SECRETARY said that progress was being made regarding the difficulties that had arisen with the Nigerian Government about the new British visa office in Lagos. Agreement had been reached with the Nigerian Army on practical measures to make the visa office acceptable to them. This agreement needed to be endorsed by the Foreign Minister. It seemed likely that his endorsement would be obtained.

Spain THE FOREIGN AND COMMONWEALTH SECRETARY said that there had been no incidents during the football match in which England had beaten Spain in Madrid on the previous day. Careful arrangements had been made, with the involvement of British Consular officials, to control the movement of the supporters of the England team. Eighteen supporters had been arrested on their way to Madrid, and two in Madrid before the match. Press reports of incidents before the match had been greatly exaggerated, but a few people had sustained minor injuries. The affair was by no means satisfactory, but no serious harm had been done.

Incident Involving a Submarine of the United States Navy THE FOREIGN AND COMMONWEALTH SECRETARY said that an incident had occurred at sea on 18 February 13 miles off the Isle of Man, in which the fishing nets of a Northern Ireland trawler had become entangled with a communication buoy of a United States Navy submarine. Such incidents were unusual. It was possible that the owners of the trawler would make a claim against the United States Navy.

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Republic of
Ireland

THE FOREIGN AND COMMONWEALTH SECRETARY said that it was clear that the leader of the Fianna Fail Party, Mr Charles Haughey, would head a new Government as Taoiseach following the General Election in the Irish Republic on 17 February. It was not yet clear whether Mr Haughey would have an absolute majority; he might be one or two seats short of it.

In discussion, it was pointed out that Mr Haughey could seek to secure an overall majority by gaining the support of independent members of the Dail (for instance, Mr Blaney or Mr Gregory) but might not wish or need to pay the price for doing so. Mr Haughey's appointment as Taoiseach might well cause problems for the Government with regard to the Anglo-Irish Agreement of 1985. Mr Haughey, in his Party's election manifesto and in remarks during the campaign, had said that he did not agree with Article 1 of the Agreement which concerned the status of Northern Ireland. Mr Haughey might seek to continue the work of the Anglo-Irish Intergovernmental Conference, established under the Agreement, while maintaining his objections to Article 1. On the other hand, Mr Haughey's attitude to the Agreement had changed over the period since its signature and apparently in the later stages of the election campaign, and he might in the event edge away from his objections to Article 1.

Possible
Meeting of
Finance
Ministers

THE CHANCELLOR OF THE EXCHEQUER said that there had been rumours in the press in recent weeks of a possible meeting of the Finance Ministers of the Group of Five countries whose currencies were the most important ones for international trade - the United States, the United Kingdom, France, the Federal Republic of Germany and Japan. The possibility of such a meeting had indeed been and was still under discussion, but there was general agreement among those concerned that it would be mistaken to hold a meeting unless its purpose and likely outcome were reasonably clearly defined in advance. He would of course attend, if it was decided that such a meeting should take place.

The Cabinet -

Took note.

COMMUNITY
AFFAIRS

Proposed
Oil and
Fats Tax

4. THE FOREIGN AND COMMONWEALTH SECRETARY said that he had taken the opportunity at a press conference in the margins of the Foreign Affairs Council on 16 February to make plain the United Kingdom's opposition to the Commission's proposal for a tax on oil and fats. It would put up consumer prices and would exacerbate international trade relations. It was important to keep a common front with the Federal Republic of Germany and the Netherlands who were also opposed to the proposed tax.

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Transport

THE SECRETARY OF STATE FOR TRANSPORT said that there had been hard pounding in the discussion on the liberalisation of aviation at the informal meeting of Community Transport Ministers on 16-17 February. What had been achieved under the British Presidency was confirmed and there had been some limited movement forward. The French position was the key to greater success, and pressure was being brought to bear on them. There had also been a discussion of Community financial support for transport infrastructure. The United Kingdom had opposed any new provision for this, particularly in the light of the present budgetary situation, but the position of other members states with budgetary concerns, in particular the Federal Republic of Germany, had been less robust.

Community
Budget 1987

THE CHANCELLOR OF THE EXCHEQUER said that it was expected that the European Parliament would adopt the Community's 1987 budget that day. In the Budget Council on 13 February the United Kingdom alone had voted against this budget mainly because, although it respected the maximum rate for increases in non-obligatory expenditure, it did so by the device of a negative payments reserve. This device was particularly inappropriate in a year in which it was known that agricultural expenditure would overshoot the budget provision. Formally the budget respected the rules of budgetary discipline, but the agricultural overrun would be a serious problem in 1987 and, in particular, in the agricultural price fixing. There was no question of new money either from an increase in the 1.4 per cent value added tax ceiling or from an intergovernmental agreement to meet these budget problems.

The Cabinet -

Took note.

Cabinet Office

19 February 1987

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