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Conclusions

CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 7 MAY 1987
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 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 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 A J Langdon (Items 1, 2 and 5)
Mr N H Nicholls (Item 3)
Mr S S Mundy (Items 1, 2 and 5)

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PARLIAMENTARY
AFFAIRS

1. The Cabinet were informed of the business to be taken in the House of Commons in the following week; and that, subject to the progress of business, the House would rise for the Spring Adjournment on Friday 22 May until Tuesday 2 June.

Abolition of
Domestic
Rates Etc
(Scotland)
Bill

THE SECRETARY OF STATE FOR SCOTLAND said that Third Reading in the House of Lords of the Abolition of Domestic Rates Etc (Scotland) Bill would take place on Monday 11 May. He wished to congratulate the business managers in the House of Lords and the Minister of State, Scottish Office on their handling of the Bill.

Parliamentary
Candidates'
Election
Expenses

THE CHANCELLOR OF THE DUCHY OF LANCASTER said that recent press reports had suggested that the Labour Party was proposing at the next General Election to undertake a direct mailing campaign in marginal constituencies. It appeared that the Labour Party had formed the view that candidates did not need to declare such expenditure as election expenses even though the Representation of the People Act seemed to require this. The issue was important because, under the Representation of the People Act, election expenses by each candidate were subject to strict financial limits. It would be helpful if the matter could be exposed publicly in advance of the next General Election.

THE PRIME MINISTER, summing up a short discussion, said that the Secretary of State for the Home Department and the Chancellor of the Duchy of Lancaster should consult urgently on this question, seeking an opinion on the matter from the Law Officers.

The Cabinet -

Took note.

HOME AFFAIRS

Pay of
Nuclear
Installations
Inspectorate

2. THE SECRETARY OF STATE FOR ENERGY said that Her Majesty's Chief Inspector of Nuclear Installations (HMCINI) had said in evidence to the House of Commons Select Committee on Energy the previous day that the Nuclear Installations Inspectorate (NII) was so understaffed that it was unable to carry out its functions properly. These remarks had already received some publicity and were likely to feature prominently in the Debate on Nuclear Power on Monday 11 May. The suggestion that the NII was understaffed could be very damaging politically: it could seriously weaken public confidence in the nuclear industry. The main reason for the shortfall in staff was the inadequacy of the pay compared, in particular, with that offered by the Central Electricity Generating Board (CEGB). He had sought the agreement of the Chief Secretary, Treasury to increases in the pay of the NII to bring their salaries

into a reasonable relationship to those paid by the CEGB. The Chief Secretary, while fully recognising the need to make up the shortfall in staff, considered that the increase should be limited in view of the impact which a larger increase might have on other sectors of the public service. HMCINI did not believe that an increase of the size proposed by the Treasury would be sufficient to enable him to recruit the staff required.

THE PRIME MINISTER, summing up a short discussion, said that it was vital that the shortfall in the NII should be made good, and that everything necessary should be done to achieve this. The Secretary of State for Energy, the Paymaster General and the Chief Secretary, Treasury should consult urgently to that end, taking account of the need to ring-fence any necessary awards from other sectors of the public service.

The Cabinet

1. Invited the Secretary of State for Energy, the Paymaster General and the Chief Secretary, Treasury to proceed in accordance with the Prime Minister's summing up of the discussion.

Industrial
Action in
the Civil
Service

Previous
Reference:
CC(87) 16.2

THE SECRETARY OF STATE FOR EMPLOYMENT, reporting on the latest phase of the industrial action by members of the Society of Civil and Public Servants and the Civil and Public Services Association, said that 100,000 people or more in London and the South East would have their benefit payments deferred until Tuesday or Wednesday of the following week. Those with insufficient funds to hand would be dependent on emergency payments which some local authority social services departments were making. The Unions' tactic had been to bring out on strike staff from unemployment benefit offices and from linked Department of Health and Social Security offices and simultaneously to close down the national unemployment benefit system computer at Reading. The effect was to delay payments, thus hurting the most vulnerable members of society.

THE SECRETARY OF STATE FOR SOCIAL SERVICES said that the unions had claimed that some 40,000 civil servants were in receipt of family income supplement. This figure was grossly inflated. He would provide the Prime Minister with the most reliable estimate which could be obtained of the actual numbers concerned.

Rolls Royce

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that the offer of shares for Rolls Royce had closed at 10.00 am that day. Approximately 750,000 applications for shares had been received by the previous night. It was expected that the final total would be a little over 1 million.

with the offer being comfortably oversubscribed. The first day for public trading would be Tuesday 19 May. He was confident that the flotation would be a success.

Mr Ernest
Saunders

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that Mr Ernest Saunders, former Chief Executive of Guinness plc, had been arrested the previous night, and was charged with offences of attempts to pervert the course of justice. It was expected that he would appear before magistrates that day or the following day. The Director of Public Prosecutions (DPP) had not brought the police into the wider investigation that was proceeding into Guinness affairs. These matters were entirely for the DPP, and Ministers should avoid commenting on them in public.

The Cabinet

2. Took note.

FOREIGN
AFFAIRS

Arms Control

Previous

Reference:

CC(87) 16.3

3. THE FOREIGN AND COMMONWEALTH SECRETARY said that discussions were continuing within the Alliance of the Soviet proposals on the reduction of shorter-range intermediate-range nuclear forces (SRINF). Most of the smaller countries tended to favour zero-zero reductions of short-range forces by the United States and the Soviet Union, although the minimum range had yet to be determined. Neither France nor the Federal Republic of Germany had yet reached a firm view, but they appeared rather to be moving towards acceptance of equal low levels on each side. Early agreement within the Alliance, while desirable, was unlikely: it was probable that, with differences on the issue within the governing coalition, the Federal Republic would bide its time.

Republic of
South Africa

Previous

Reference:

CC(87) 16.3

THE FOREIGN AND COMMONWEALTH SECRETARY said that the results of the white elections in South Africa on 6 May had been discouraging. There had been a significant shift to the two right-wing parties, which had captured one-third of the vote and were likely to displace the Progressive Federal Party, which had suffered severe losses, as the main Parliamentary opposition. It was hard to see South African Government policies evolving in an acceptable direction.

In discussion, it was noted that the former South African Ambassador in London, Dr Denis Worrall, had failed to win a seat from the governing National Party by only 39 votes; this had been an exception to the general rightward trend.

Visit to London by the President of Mozambique 6-9 May 1987

THE FOREIGN AND COMMONWEALTH SECRETARY said that the President of Mozambique, Mr Joaquim Chissano, was visiting London from 6 to 9 May. President Chissano had established sensible priorities: he was pursuing constructive economic policies, was seeking to reduce Soviet influence within Mozambique and was pragmatic on the issue of sanctions against South Africa. His Government's problems were compounded by the military activities of the Renamo guerilla movement. The Government had agreed to Mr Chissano's request for further aid.

Lebanon

Previous Reference: CC(87) 14.3

THE FOREIGN AND COMMONWEALTH SECRETARY said that the resignation on 4 May of the Lebanese Prime Minister, Dr Rashid Karami, was unlikely to loosen the political deadlock. The Syrian military intervention, while it had eased the siege of the Palestinian camps, had had little political effect. Despite recent rumours, there was no further news of the Archbishop of Canterbury's Special Representative, Mr Terry Waite, or of other hostages. The Saudi Foreign Minister, Prince Saud, had helpfully offered to assist over Mr Waite, but this was unlikely to bear fruit.

Middle East

Previous Reference: CC(87) 16.4

THE FOREIGN AND COMMONWEALTH SECRETARY said that the prospects for an international conference on the Middle East had improved slightly. Some agreement had been reached between King Hussein of Jordan and the Foreign Minister of Israel, Mr Shimon Peres, and the Americans were active behind the scenes. But the Israeli Prime Minister, Mr Yitzhak Shamir, was opposed to the idea, and the issue posed a threat to the future of the coalition Government in Israel. It was important that the Belgian Presidency of the European Community should be dissuaded from intervening.

Syria

Previous Reference: CC(86) 40.3

THE FOREIGN AND COMMONWEALTH SECRETARY said that there was pressure, both within the European Community and from the United States, to pursue a more accommodating policy towards Syria. There was however, no evidence of a change in the Syrian attitude towards terrorism; this point had been firmly conveyed to the United States Government.

Iran/Iraq

Previous Reference: CC(87) 13.2

THE FOREIGN AND COMMONWEALTH SECRETARY said that there had been little change in the hostilities between Iran and Iraq. There had been no further testing or use of SILKWORM missiles by Iran. A United Nations inspection team was likely to confirm claims that chemical weapons had been used by both belligerents. Discussions designed to bring the war

to an end were continuing within the United Nations Security Council. The United Kingdom was prepared to support a mandatory Resolution and, if so decided, an arms embargo against Iran.

Mr Donald Hagger

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Government of Iraq had released Mr Donald Hagger, one of three long-term British prisoners held in the country.

Visit to London by Mr Natwar Singh 24-30 April 1987

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Indian Minister of State for External Affairs, Mr Natwar Singh, had visited London from 24 to 30 April. He had useful discussions with the Home Secretary and other Ministers. Agreement had been reached on the text of an Extradition Treaty, although it was feared that the endorsement of the Indian Government as a whole would not be easy to secure. India was dismayed at the situation in Sri Lanka and at the rebuff by the Sri Lankan Government of Indian offers to mediate. She was also critical of the failure by the United States to inhibit Pakistan's nuclear programme.

The Cabinet -

Took note.

COMMUNITY AFFAIRS

Fish

4. THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that the outcome of the Fisheries Council on 5 May had been very satisfactory for the United Kingdom fishing industry both in the North West Atlantic and around Spitzbergen. The volume of cod which might be taken had been significantly increased.

The Cabinet -

Took note.

BROADCASTING INDEPENDENT OVERSIGHT OF PROGRAMME STANDARDS

5. The Cabinet considered a memorandum by the Secretary of State for the Home Department (C(87) 8) proposing that the Broadcasting Complaints Commission (BCC) should be strengthened or replaced so as to ensure the discharge of a wider range of responsibilities in relation to programme standards on radio and television.

THE HOME SECRETARY said that the remit of the BCC was confined to adjudication upon complaints, brought by the injured party, of unjust or

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unfair treatment or invasion of privacy. There had long been differences of view about the proper role of a body of this kind, which had its origin in the report of the Annan Committee on the Future of Broadcasting (Cmnd 6753), which had reported in 1977. The Annan Committee conceived the Commission as a body that would consider complaints of unjust or unfair treatment or of invasion of privacy, but not matters of taste, content or standards of programmes. The then Labour Government had taken up the general idea of a complaints commissions, but had expanded it to embrace matters of programme standards and the broadcasting authorities' response to complaints about them. The present Government had taken the view in 1980 that only the narrow role was appropriate, and had legislated to establish the BCC accordingly. The Government line since then had been that a wider remit might confuse the responsibilities of the broadcasting authorities. It was now for question whether a more dynamic approach was needed in response to widespread public concern about taste and decency generally, including the portrayal of violence. Giving the BCC, or a successor body, formal powers over the broadcasters would hopelessly compromise the position of the broadcasting authority as trustees for the public interest, but he believed that it would be possible to construct an expanded independent role that would avoid that pitfall while still providing a machinery for channelling the concern of the public and offering much needed reassurance. He therefore sought the agreement of the Cabinet to his setting further work in hand on the details of such a scheme and to the inclusion in any early statement of the Government's policies of a commitment to move in the direction he had indicated. If that were approved, he would propose to speak informally to the broadcasting authorities in order to seek to allay any concerns they might have.

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In discussion, some members of the Cabinet expressed concern that a commitment to new external machinery of the kind proposed might have an adverse impact on the confidence and co-operation of the broadcasting authorities' top management, and diminish their own sense of responsibility for the maintenance of acceptable standards of taste in programme content. It was particularly important to maintain good working relations with the new leadership of the British Broadcasting Corporation. The matter would need to be handled with considerable finesse if damaging consequences were to be avoided.

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Other members of the Cabinet believed that the decline in broadcasting standards was so palpable and so much gratuitous offence was now given to the ordinary public, that it would be unsustainable to stand back from the issue any longer. Concern rightly went beyond matters of taste and decency; the public was much troubled by violence, where the record of the broadcasters was very bad. In the public mind, there was a strong link between the portrayal of violence in the media and the increase in violent crime that the country was suffering. While the details needed to be resolved, it was likely that only a completely new body could discharge the vigorous role that the situation demanded.

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There was general agreement that the proposed initiative should not become involved in questions of broadcasters' political impartiality and

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that it was important that no such misleading impression should be allowed to make any headway.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that external involvement in the maintenance of acceptable programme standards on radio and television in matters of taste, decency and the portrayal of violence, should be strengthened as the Home Secretary had proposed. While it seemed most unlikely that the present Broadcasting Complaints Commission would be able to provide the basis for the effective machinery that was needed, that point would need to be pursued in the further work that the Home Secretary would put in hand. It would be appropriate for any early statement of the Government's policies to make a commitment to the establishment of stronger and more effective arrangements in the areas in question. Before such a statement was made, the Home Secretary should speak informally to the Chairmen of the British Broadcasting Corporation and the Independent Broadcasting Authority.

The Cabinet

Invited the Home Secretary to be guided by the Prime Minister's summing up of their discussion.

Cabinet Office

7 May 1987

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