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CC(87) 33rd  
Conclusions

CABINET

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

THURSDAY 19 NOVEMBER 1987

at 10.10 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 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 Lord Mackay of Clashfern  
Lord Chancellor

The Rt Hon Douglas Hurd MP  
Secretary of State for the Home Department

The Rt Hon George Younger MP  
Secretary of State for Defence

The Rt Hon Norman Fowler MP  
Secretary of State for Employment

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 Trade and Industry

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

The Rt Hon Kenneth Clarke QC MP  
Chancellor of the Duchy of Lancaster

The Rt Hon John MacGregor MP  
Minister of Agriculture, Fisheries and Food

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

The Rt Hon Paul Channon MP  
Secretary of State for Transport

The Rt Hon John Wakeham MP  
Lord Privy Seal

The Rt Hon Cecil Parkinson MP  
Secretary of State for Energy

The Rt Hon John Major MP  
Chief Secretary, Treasury

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon David Waddington QC MP  
Parliamentary Secretary, Treasury

The Hon Peter Brooke MP  
Paymaster General

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SECRETARIAT

Mr C L G Mallaby  
Mr R G Lavelle (Items 3-5)  
Mr A J Langdon (Items 1 and 2)  
Mr N H Nicholls (Items 3-5)  
Mr S S Mundy (Items 1 and 2)

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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.

HOME AFFAIRS

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Industrial  
Action by  
Postal  
Workers

2. THE CHANCELLOR OF THE DUCHY OF LANCASTER said that the Union of Communication Workers were demanding reductions in the working week for postal workers from 39½ to 36½ hours for manual workers and from 36½ to 33½ hours for clerical workers, with no compensatory increases in productivity. The Post Office management had offered a reduction of one hour for manual workers, provided this was matched by increased productivity, but no reduction for clerical workers. In a recent ballot of the Union's membership, 55 per cent had voted in favour of industrial action, although this constituted only 45 per cent of those entitled to vote. A delegate conference was to be held that weekend, and local industrial action could be expected from the following week. The Post Office management would react firmly to this and ensure that, if postal deliveries were disrupted, those not working normally would not be paid. The Government line should be that, in the event of serious disruption to postal services, the Post Office monopoly should be suspended, which was as far as the Government could go without new primary legislation.

National  
Union of  
Mineworkers

THE SECRETARY OF STATE FOR ENERGY said that Mr Arthur Scargill had announced his resignation as President of the National Union of Mineworkers and would be seeking re-election to that office. It was clear that Mr Scargill was hoping that the Government would attack his leadership in the expectation that this would strengthen support for him among members of the Union. Colleagues would wish to avoid responding in this way.

The Cabinet -

1. Took note.

King's Cross  
Underground  
Station Fire  
Disaster

THE SECRETARY OF STATE FOR TRANSPORT said that there had been a very serious fire the previous evening at King's Cross Underground Station. The latest information was that 30 people had died, including one fireman, 19 people had been seriously injured and a further 32 people were still detained in hospital. The emergency services had reacted superbly in rescuing those who had been trapped and in treating the injured. It appeared that the fire damage had started on the Piccadilly line escalators, and the worst affected area was the main ticket hall. The ceiling panelling in the ticket hall area contained brown asbestos and, as a result of the fire, some asbestos fibres had been released into the atmosphere. It was for this reason that Underground services in the King's Cross area had had to be curtailed that morning. Subject

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to the agreement of colleagues, he believed it was essential that he should make a statement on the fire in the House of Commons that afternoon and that he should announce that he would be instituting a formal investigation under the Regulation of Railways Act 1871. He proposed that the inquiry should be chaired by a Queen's Counsel, assisted by expert assessors. The Lord Chancellor had been helpful in advising on possible chairmen, and he hoped that it might be possible to announce the name of the chairman in his statement that afternoon. It would be wrong to speculate on the causes of the disaster; the important thing was for the inquiry to establish the facts as soon as possible. On a more general point, colleagues should be aware that any formal inquiry into a disaster might need to be suspended for a time should it become clear that prosecutions were likely to be mounted.

THE PRIME MINISTER said that the Cabinet would wish to place on record their condolences for those bereaved and injured and their gratitude to the emergency services for their courage and skill. She and the Secretary of State for Transport would be visiting some of the injured later that morning. The Cabinet agreed that the Secretary of State for Transport should make a statement in the House of Commons later that day and that he should announce that he would be establishing a formal investigation, chaired by a Queen's Counsel assisted by expert assessors. The Secretary of State for Transport, in consultation with the Lord Chancellor and the Attorney General, should provide colleagues with a form of words to be used if necessary on the relationship between an inquiry and possible prosecutions. Some Opposition spokesmen had claimed that the fire service was under-funded, but there had in fact been increases in fire service manpower and resources under the present administration.

The Cabinet -

2. Recorded their condolences for those bereaved and injured in the fire at King's Cross Underground Station and their gratitude for the work of the emergency services.
3. Invited the Secretary of State for Transport to make a statement on the disaster in the House of Commons later that day and to announce that he would establish a formal investigation under the Regulation of Railways Act 1871.
4. Invited the Secretary of State for Transport, in consultation with the Lord Chancellor and the Attorney General, to provide colleagues with a form of words on the relationship between an inquiry and possible prosecutions.

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FOREIGN  
AFFAIRS

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State Visit  
of the  
President  
of Italy

Previous  
Reference:  
CC(87) 31.3

3. THE FOREIGN AND COMMONWEALTH SECRETARY said that the unfortunate cancellation, at the last minute, of the State Visit to London by the President of Italy, Signor Francesco Cossiga, had been unavoidable: he had been obliged by constitutional convention to remain in Italy following the resignation on 14 November of the Italian Prime Minister, Signor Giovanni Gorla. President Cossiga had conveyed his personal disappointment to Her Majesty The Queen. It was expected that the previous Italian Government would shortly be reconstituted.

Falkland  
Islands

Previous  
Reference:

CC(86) 39.2

THE FOREIGN AND COMMONWEALTH SECRETARY said that there had been a small increase in support for the United Kingdom in the vote at the United Nations General Assembly on 17 November on an Argentine-inspired resolution on the Falkland Islands. 114 countries (two less than in 1986) had voted for the resolution, five (an increase of one) including the United Kingdom against it, and 36 (an increase of two) had abstained. The resolution had been virtually identical with those in recent years; although couched in deceptively mild language, it had made no mention of the Falkland Islanders' right to self-determination. In the debate, the United Kingdom had stated unequivocally its position on British sovereignty and the Government's determination to uphold the rights of the Islanders.

The Cabinet -

Took note.

COMMUNITY  
AFFAIRS

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Agriculture

4. THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that it had been expected that the meeting of the Agriculture Council beginning on 16 November would continue as long as necessary to carry forward negotiations on the Commission's proposals for agricultural stabilisers ahead of the following week's Foreign Affairs Council and the European Council in December. In the event, the meeting had been suspended on the third day and would not resume until 23 November. He had made clear the determination of the United Kingdom to reach an agreement and had spoken out against this delay. On the substance, the proposals put forward by the Commission and the Danish Presidency, while not going as far as the United Kingdom would like, were on the right lines. However, apart from the United Kingdom, only the Netherlands had spoken in their support. The Mediterranean countries and the Republic of Ireland had expressed dissent. The Federal Republic of Germany had been implacably opposed. The French position was less clear cut, but there was evidence of Franco/German co-operation. He had judged it important not to be critical at that stage of proposals put forward by the Presidency and the Commission, so as to encourage them to maintain their position, as



they so far had.

In discussion the importance was stressed of ensuring that, if the negotiations did not succeed, the United Kingdom did not receive the blame. The proposals on the table were a minimum and if others rejected them they were not matching up to the needs of Europe.

Economic and  
Finance  
Council

THE CHANCELLOR OF THE EXCHEQUER said that a useful communiqué had been issued from the meeting of Finance Ministers of European Community countries on 16 November following discussion of the current international financial situation. He had also taken the opportunity to have private discussions with the Finance Ministers of France and the Federal Republic of Germany. The Commission had presented proposals for further liberalisation of capital movements. These were proceeding in the right direction and would now receive detailed study by the Monetary Committee and Committee of Central Bank Governors. Lord Cockfield had presented the Commission's proposals on tax approximation. These had been remitted to the Economic Policy Committee for analysis: it would be right to play this issue long. He had underlined the commitments on zero rates given by the Government before the General Election. The discussion on future financing had largely followed familiar lines. The President of the Commission had however expressed the view that "exceptional circumstances" should be confined to currency movements.

The Cabinet -

Took note.

FINANCIAL  
AFFAIRS

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United States  
Budget  
Deficit

Previous  
Reference:  
CC(87) 32.5

5. THE CHANCELLOR OF THE EXCHEQUER said that the markets were steadier though still fragile. The negotiations between the United States Administration and Congress about measures to reduce the United States budget deficit had still not been concluded. However it was hoped that agreement would be reached shortly. This was likely to be slightly in excess of the minimum required by the Gramm-Rudman legislation. It would probably include asset sales, and contain some element of increased taxation. Such an outcome would be in accordance with market expectations. The details were still to be worked out and would be the subject of continuing discussion between the United States Administration and Congress.

The Cabinet -

Took note.