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CC(85) 5th
Conclusions

COPY NO 74

CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 7 FEBRUARY 1985
at 10.30 am

P R E S E N T

The Rt Hon Margaret Thatcher MP
Prime Minister

The Rt Hon Lord Hailsham of St Marylebone
Lord Chancellor

The Rt Hon Leon Brittan QC 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 Michael Heseltine 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 Tebbit MP
Secretary of State for Trade and Industry

The Rt Hon Peter Rees QC MP
Chief Secretary, Treasury

The Rt Hon Douglas Hurd MP
Secretary of State for Northern Ireland

The Rt Hon Lord Young of Graffham
Minister without Portfolio

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 Peter Walker MP
Secretary of State for Energy

The Rt Hon George Younger MP
Secretary of State for Scotland

The Rt Hon Patrick Jenkin MP
Secretary of State for the Environment

The Rt Hon Norman Fowler MP
Secretary of State for Social Services

The Rt Hon Tom King MP
Secretary of State for Employment

The Rt Hon Nicholas Ridley MP
Secretary of State for Transport

The Rt Hon Earl of Gowrie
Chancellor of the Duchy of Lancaster

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Michael Havers QC MP
Attorney General (Item 3)

The Rt Hon John Wakeham MP
Parliamentary Secretary, Treasury

Mr John Gummer MP
Paymaster General

SECRETARIAT

Sir Robert Armstrong
Mr P L Gregson (Item 3)
Mr D F Williamson (Item 2)
Mr B G Cartledge (Item 2)
Mr C J S Brearley (Item 1)
Mr A J Wiggins (Item 3)
Mr R Watson (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.

Interception
of Communica-
tions Bill

THE HOME SECRETARY said that he was about to publish the new proposals on interception of communications which had been rendered necessary by the judgment of the European Court of Human Rights in the Malone case. He proposed to make a statement to the House of Commons that afternoon outlining the proposals and announcing the simultaneous publication of a White Paper. The Bill giving effect to these proposals would be published on 14 February. It was proposed that there should be no debate on the White Paper, as it was hoped that the Second Reading debate on the Bill would be on 26 February. The Bill would not change existing practices, but put them in the context of a statutory framework which contained increased safeguards. It would create a general offence of intercepting communications, which did not at present exist. It would also set up a tribunal to investigate complaints against misuse of interception procedures. Furthermore, it would establish a Commissioner who would monitor the entire process. The Government had a good case to present. The Bill would, however, be extremely sensitive and would give an opportunity for discussion of the work of the security services. There were features of the existing system which would be revealed for the first time. These included the role of the Foreign and Commonwealth Secretary in authorising interception of overseas communications, which had not been revealed in the 1980 White Paper. There would be pressures for changes in the proposed system, for example a suggestion that judges, rather than the Secretaries of State, should issue warrants. Much would depend on how the Opposition reacted. It was proposed that the Committee Stage of the Bill should be taken on the floor of the House.

THE PRIME MINISTER said that the Bill would be difficult to handle and the Government would have to resist attempts to undermine the security services. It would be necessary to stand absolutely firm behind the proposals.

The Cabinet -

1. Took note.

Teachers'
Strike in
Scotland

THE SECRETARY OF STATE FOR SCOTLAND said that there was a lengthy and serious teachers' dispute in Scotland. The union concerned was demanding an independent pay review and had refused to consider use of the normal negotiating committee. They had adopted an extremely effective method of industrial action which was targeted upon the constituencies of Scottish Office Ministers. This had effectively stopped education in those areas, at very little cost to the union.

They were now threatening to disrupt examinations. Quite apart from the general reasons for standing firm, it was most important that this new technique of targeting Ministerial constituencies should not be seen to succeed: it could easily be extended into other disputes.

THE PRIME MINISTER, summing up a brief discussion, said that it was essential to stand fast. It had been suggested that the technique of targeting industrial action on Ministerial constituencies was a breach of Parliamentary privilege, although the preliminary view of the House authorities was that this was not so. It would be necessary to consider this point further.

The Cabinet -

2. Invited the Lord Privy Seal, in consultation with the Secretary of State for Scotland, to investigate the possibility that industrial action by the Scottish Teachers involved a breach of Parliamentary privilege.

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that it seemed likely that the Government might suffer a defeat in the House of Lords over the issue of Crown preference in insolvency. It was necessary to take a view whether any concessions could or should be made.

THE PRIME MINISTER said that the Secretary of State for Trade and Industry should consider this issue together with others arising from the handling of the Insolvency Bill, with the Lord President of the Council and the Chancellor of the Exchequer.

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that the frontier between Gibraltar and Spain had been opened on 5 February and that he had held talks with the Spanish Foreign Minister, Senor Moran, and the Chief Minister of Gibraltar, Sir Joshua Hassan, on the same day. The atmosphere and content of the talks had been as good as could have been hoped. Senor Moran had raised the question of sovereignty and given notice that he would in due course put forward formal proposals on this issue. The Foreign and Commonwealth Secretary said that he, for his part, had restated the United Kingdom's position and had made it clear that this was firmly based in the provisions of the Gibraltarian Constitution and that there could be no change in the status of Gibraltar save in accordance with the freely expressed will of the Gibraltarians. In his press conference after the talks, Senor Moran had publicly acknowledged the importance of the feelings (as well as the interests) of the people of Gibraltar. Following the exchanges on sovereignty, the talks had moved immediately into the consideration of

Insolvency Bill

FOREIGN AFFAIRS

Gibraltar

Previous Reference: CC(84) 39th Conclusions, Minute 2

practical matters arising from the opening of the frontier. Both Senor Moran and Sir Joshua Hassan had conducted themselves with good sense and with dignity: a bilateral discussion between them had probably exercised a helpful influence on Senor Moran's subsequent press conference. It was noteworthy, in the context of Gibraltar's future, that there was an encouraging growth of business for the commercialised Gibraltar dockyard. This would weaken the political opponents of Sir Joshua Hassan's policies.

Libya
Previous
Reference
CC(85) 4th
Conclusions,
Minute 3

THE FOREIGN AND COMMONWEALTH SECRETARY said that it was hoped that the four British subjects who had been held hostage in Libya would be returning to the United Kingdom later in the day, following a series of last minute delays and frustrations resulting from Libyan sensitivities. Consideration had been given to bringing the hostages home on 6 February, immediately after their release, in view of the possibility of adverse Libyan reactions to the trial, now in progress in Manchester, of four Libyans. The Archbishop of Canterbury's special envoy, Mr Terry Waite, had however advised against hastening their departure. Last minute difficulties were still possible and it would be advisable for the British Government to adopt a low key approach towards Libya until the release of the hostages had taken place. The efforts of Mr Waite in bringing about a change of heart on the part of the Libyan President, Colonel Qadhafi, so far as the British hostages were concerned had been invaluable; but there had been no fundamental change in Libyan attitudes and the members of the sizeable British community in Libya would remain at risk. Mr Waite, whose mission had been conducted in close consultation with the British Government, had meanwhile been authorised to offer two gestures to the Libyan authorities: a strictly limited issue of visas in Tripoli for urgent compassionate and medical cases, from which the relatives of Libyans detained in the United Kingdom would benefit, and one round of bilateral talks at official level under Italian auspices. In a short discussion, it was stressed that initiatives, such as Mr Waite's mission, which might in certain circumstances be needed to supplement the diplomatic process could succeed only if the Government's involvement with them remained unpublicised. The publicity which had just been accorded, in the British media, to the Prime Minister's private contact with Lambeth Palace over the hostage affair would make it difficult to mount a similar initiative if comparable situations were to arise in other countries where British subjects might be imprisoned or at risk. It was difficult but necessary to impress this aspect of the problem upon representatives of the media.

THE PRIME MINISTER, summing up the discussion, said that a Parliamentary or other public statement by the Government on the circumstances of the release of the British hostages would not be necessary or helpful;

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related matters such as the position of British subjects in Libya and the status of the Libyan People's Bureau in London could if necessary be covered in a Written Parliamentary Answer.

The Cabinet -

Took note.

3. THE SECRETARY OF STATE FOR ENERGY reported to the Cabinet on the latest position in the coal industry dispute. The Cabinet's discussion is recorded separately.

INDUSTRIAL
AFFAIRS

Coal Industry
Dispute

Previous
Reference:
CC(85) 4th
Conclusions,
Minute 5

Cabinet Office

7 February 1985

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SECRET

Sir Robert Armstrong
(Board Volume)

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CABINET

LIMITED CIRCULATION ANNEX

CC(85) 5th Conclusions, Minute 3

Thursday 7 February 1985 at 10.30 am

INDUSTRIAL
AFFAIRS

Coal
Industry
Dispute

Previous
Reference:
CC(85) 4th
Conclusions,
Minute 5

THE SECRETARY OF STATE FOR ENERGY said that about 4,000 miners were expected to have abandoned the strike by the end of the week. Deep mine production and movements of coal by rail had the previous week been the best since the strike began; power station stocks had fallen by not much more than 100,000 tonnes, and over 13 million tonnes were still in stock at power stations. There was increasing pressure to end the strike within the National Union of Mineworkers (NUM), whose National Executive was meeting that morning, but there was no sign that the President of the NUM, Mr Scargill, was prepared to give ground. One possibility would be an organised return to work without an agreement, but with a ban on overtime and a work to rule. The meeting would be preceded by a discussion with leaders of the National Association of Colliery Overmen, Deputies and Shotfirers (NACODS), who were looking for ways of putting pressure on the Government in order to assist the NUM. A point of particular importance would be the operation of the colliery review procedure contemplated in the National Coal Board's (NCB's) agreement with NACODS; the NCB had now given the Government further information on how they saw this procedure working. There had been no new public statement by the NCB about possible negotiations to end the strike; the NCB had, however, given to the General Secretary of the Trades Union Congress a private indication of what they would regard as an acceptable wording of the first item on the agenda at any possible negotiation to end the strike, and this wording was now in the hands of Mr Scargill, the General Secretary of the NUM, Mr Heathfield, and certain other members of the NUM Executive.

THE PRIME MINISTER, summing up a brief discussion, said that a clear and definite end to the strike seemed increasingly less likely; if the miners returned to work without an agreement, and then imposed an overtime ban and work to rule, the pressure to close uneconomic pits would increase still further. Meanwhile the Government could only await events.

The Cabinet -

Took note.

Cabinet Office

8 February 1985

SECRET