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Conclusions

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CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 27 JUNE 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 Michael Jopling MP
Minister of Agriculture, Fisheries and Food

The Rt Hon Nicholas Ridley MP
Secretary of State for Transport

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

The Rt Hon Lord Young of Graffham
Minister without Portfolio

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THE FOLLOWING WERE ALSO PRESENT

The Rt Hon John Wakeham MP
Parliamentary Secretary, Treasury

Mr John Gummer MP
Paymaster General

SECRETARIAT

Sir Robert Armstrong
Mr D F Williamson (Items 3-5)
Mr C L G Mallaby (Items 3-5)
Mr C J S Brearley (Items 1 and 2)
Mr R Watson (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 during the following week.

Sporting
Events
(Control of
Alcohol Etc)
Bill

THE HOME SECRETARY said that the Sporting Events (Control of Alcohol Etc) Bill, which was designed to deal with the problems of hooliganism at football grounds caused by consumption of alcohol on the premises or on transport to the ground, had been introduced in the House of Commons. It was hoped that all stages could be taken on 3 July and that Royal Assent would be secured before the Summer Adjournment. The Official Opposition and the Home Affairs spokesmen of the Alliance Parties had been consulted about the content of the Bill and had agreed to facilitate it in its present form; but points and amendments would no doubt be put forward by individual backbenchers in pursuit of particular interests.

House of
Lords

Previous
Reference:
CC(85) 21st
Conclusions,
Minute 1

THE LORD PRESIDENT OF THE COUNCIL said that the Local Government Bill had now passed its Report Stage, but there could still be some problems on Third Reading. It would then be necessary to consider how the four major defeats which had been inflicted upon the Government should be dealt with in the House of Commons. This would present some difficult tactical and policy decisions.

THE PRIME MINISTER said that the Cabinet would recognise the difficulties involved, but congratulated the Lord President of the Council on the successful progress so far.

Youth
Training
Scheme

THE SECRETARY OF STATE FOR EMPLOYMENT said that the Manpower Services Commission (MSC) were meeting that day and were likely to agree on the terms of the two-year Youth Training Scheme. It would be a major achievement to secure support for this from representatives of both the Confederation of British Industry and the Trades Union Congress. If agreement was reached, the Chairman of the MSC would almost certainly wish to give a press conference that afternoon. He himself would make a Parliamentary statement early in the following week, but would have to wait for the formal letter from the Chairman of the MSC setting out the precise terms of the new scheme, before doing so.

The Cabinet -

Took note.

HOME
AFFAIRS

Local
Authority
Rate Setting

2. THE SECRETARY OF STATE FOR THE ENVIRONMENT said that Lambeth Borough Council were expected to try to make a rate on Wednesday 3 July. He understood that opponents of the rate capping legislation would attempt to prevent this by disrupting the Council meeting, if necessary with violence. The police would not be able to intervene unless the person chairing the meeting called them in. In similar circumstances in other Labour controlled authorities, Mayors had shown considerable reluctance to ask the police to restore order. Although the Official Opposition had said that they could not condone illegal action, they had not unequivocally condemned the actions of those local authorities and individuals who were refusing to obey the law.

THE SECRETARY OF STATE FOR SCOTLAND said that he had imposed a rate reduction on Edinburgh District Council but there was every sign that the Council would refuse to recognise the instruction. Grants would therefore be withheld and it seemed likely that the Council would run out of money to pay their staff by October. If this happened, it might become necessary to consider the appointment of Commissioners.

THE PRIME MINISTER, summing up a brief discussion, said that any form of direct Government intervention, such as Commissioners, should be regarded as a last resort to be adopted only if the breakdown of essential services appeared to be imminent. It would be wrong to intervene short of this to protect local electorates and councils from the consequences of electing extremists.

The Cabinet -

Took note.

NORTHERN
IRELAND
AFFAIRS

Previous
Reference:
CC(85) 18th
Conclusions,
Minute 4

3. THE SECRETARY OF STATE FOR NORTHERN IRELAND said that the marching season in Northern Ireland was now beginning and would last until mid-August. Most of the events were loyalist ones, but a few were Nationalist. As was normal for the time of year, the temperature among people concerned with politics in Northern Ireland was rising. This had been illustrated by his meetings on 20 June with the leader of the Democratic Unionist Party (DUP), Mr Ian Paisley, and the leader of the Ulster Unionist Party, Mr James Molyneux. The legal position regarding the marches was that it was for the Secretary of State for Northern Ireland himself to decide on any bans of marches, on the recommendation of the Chief Constable of the Royal Ulster Constabulary. The question of altering the routes of marches, without banning them, was the responsibility of the Chief Constable. In recent years the nature of these events had deteriorated: the element of enjoying a tradition had declined and the element of violence and hooliganism had increased, often with the participation of gangs from outside the locality in question. As examples, the Secretary of State for Northern Ireland cited the cases of marches in Castlewellan and Portadown. The DUP had sought, very provocatively, to organise a march in Castlewellan, a small town of which the population was overwhelmingly Roman Catholic. He had

banned this march three weeks previously. The organisers had then sought to hold it on 27 June and he had now banned it again. In Portadown, three Loyalist parades were planned in the following three weeks, which would go through the overwhelmingly Roman Catholic area known as the "Tunnel". One of the marches was planned to go through the "Tunnel" four times in a single day - a case of blatant provocation. In the case of Portadown there was no question of banning the marches, but the Chief Constable would have to decide whether to negotiate or, if necessary, to impose a change in the route to reduce the likelihood of sectarian violence. The last event in the marching season would be a Nationalist procession to mark the anniversary of internment. Mr Martin Galvin of the Irish Northern Aid Committee in the United States (NORAI) who had managed to be present at this event in 1984, might try to be there again in 1985. He remained banned from Northern Ireland and the police would make every effort to prevent his coming. The Secretary of State for Northern Ireland said that the situation concerning the marches was not a new one: but it was serious and would require a series of difficult decisions. It was possible that not everything would go well.

The Cabinet -

Took note.

FOREIGN
AFFAIRS

Hijacking of
Aircraft of
Trans World
Airlines

Previous
Reference:
CC(85) 21st
Conclusions
Minute 2

4. THE FOREIGN AND COMMONWEALTH SECRETARY said that it seemed that discussions involving the Shi'ite leader, Mr Nabih Berri, and also the Syrian authorities might possibly lead to the release of the United States hostages from the hijacked aircraft who were held in Beirut. One possibility was that the hostages might be taken initially to Damascus; their transfer to a neutral Embassy in Beirut had also been discussed. There would be a link between the arrangements for their release and the release by Israel of Shi'ite prisoners. The British Ambassador in Lebanon, Sir David Miers, had seen Mr Berri on 25 June, as part of the British response to the United States request to exert pressure for a resolution of the affair. There were signs that, if the hostages were released, some people in the United States might be tempted by the idea of subsequently rendering Beirut airport unusable. This would not be helpful. More helpfully, the United States favoured action to isolate Beirut airport by suspending services there and refusing to accept flights of Middle Eastern Airlines coming from Beirut.

One British citizen, Mr Alec Collett, was held in Lebanon. Nothing definite had been heard about him since early May and efforts were being made to find out about his present position. It appeared that he was being held separately from the victims of the hijack. There were some suggestions that the people holding Mr Collett might seek to bargain his release against that of Arabs held in prisons in the United Kingdom; steps had been taken to convey the message that the Government could not

consider such an exchange. The question whether Mr Collett's release could be arranged together with that of the United States hostages was being explored.

Aviation
Security

On the wider issue of aviation security, it appeared that the Air India aircraft which had crashed into the Atlantic off the south coast of Ireland on 23 June and the explosion on the same day at Narita airport at Tokyo might have been caused by Sikh extremists. The whole subject of aviation security required new attention. At United States, Canadian and British insistence, a meeting of the terrorism experts of the seven Summit countries had been brought forward to July. There was also likely to be discussion of terrorism against aircraft during the European Council meeting in Milan on 28 and 29 June. The subject would play a central role in the talks when Vice President Bush of the United States visited London on 3 July.

The following points were noted in discussion -

- a. There was still no forensic evidence to show conclusively that the Air India disaster had been caused by a bomb.
- b. The International Civil Aviation Organisation, which was meeting in Montreal, was considering airport security; the United Kingdom was represented at Ministerial level.
- c. The Greek Government, despite earlier resistance, had now agreed under United States pressure to bring forward a review of security at Athens airport, and a delegation from the International Air Transport Authority was on the spot.
- d. The British Government were also in touch with the United States about encouraging other countries to improve airport security. There was an important difference between the measures needed against hijacking and those needed against bombs on aircraft. The prevention of hijacking required surveillance of passengers. The prevention of bombing required surveillance of all baggage and cargo on aircraft. This was a large task: a selective approach, concentrating on the airlines and airports thought to be most at risk, might be desirable but would present difficulties.
- e. No precautions against aircraft terrorism could be totally reliable. That having been said the British performance on airport security could be robustly defended, for instance in response to Questions in Parliament; it was very good. Nonetheless action was in hand to consider any possible improvements, and to check all the procedures to make sure that they were fully implemented. It would clearly be contrary to the public interest to reveal publicly all the measures that were being taken. Stories of journalists walking through the controls at British airports and reaching aircraft had been checked and were untrue.

f. The British Broadcasting Corporation had broadcast an interview that morning with an American citizen who had admitted that his organisation in the United States had trained Sikhs among others in certain techniques of violence. It would be interesting to discover whether Irish terrorists could have received training from organisations such as this.

The Prime Minister, summing up the discussion said that it would be important to follow up all these matters with urgency.

The Cabinet -

1. Invited the Secretary of State for Transport to pursue action on the matters referred to in the discussion.
2. Invited the Foreign and Commonwealth Secretary to look into the background to the interview broadcast by the British Broadcasting Company that morning.

Japan

Previous
Reference:
CC(85) 14th
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY recalled that the June session of the Council of Ministers (Foreign Affairs) had issued a strongly worded statement about the trade practices of Japan. The Japanese Foreign Ministry had described that statement as "self-serving and unacceptable". The Japanese Ambassador had called on the Foreign and Commonwealth Secretary at his own request on the previous day, to describe the package of measures announced in Tokyo on 25 June. This Action Programme included tariff reductions on 1,800 items; but the reductions were small and most of the items were of no interest to the European Community. In the important case of confectionery, for instance, there was no change in the tariff but only an undertaking of Japanese "best endeavours" to do something in the future. The reduction in the tariff on whisky was inadequate and unlikely to make a significant difference to exports to Japan. The Foreign and Commonwealth Secretary had reacted strongly to the Japanese Ambassador's remarks. He had stressed that all member states of the European Community had unanimously endorsed the declaration issued by the Foreign Affairs Council. He considered the new Japanese measures to be inadequate and had expressed doubt as to whether the Japanese authorities and industry understood the extent of the problem for the Europeans. He had told the Japanese Ambassador that the European Community would be discussing the matter further, perhaps at the European Council in Milan on 28 and 29 June and certainly in the autumn. He had also called for changes in Japanese macroeconomic policy and said that the story of the Bosphorus Bridge contract should be discussed in the Organisation for Economic Co-operation and Development. The Japanese Ambassador had been left in no doubt of the strength of British views on these matters.

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In a short discussion it was noted that the Commission had asked whether the United Kingdom would support strong anti-dumping action by the Community against Japan. They had been told that we would do so, where this was justified. The changes on tobacco in the Japanese Action Programme could be helpful to British exports.

The Cabinet -

Took note.

COMMUNITY AFFAIRS

European Communities (Finance) Bill

5. THE FOREIGN AND COMMONWEALTH SECRETARY said that the size of the Government's majority on the Second Reading of the European Communities (Finance) Bill on 25 June was satisfactory. A good number of Opposition Members of Parliament appeared to have been absent or to have abstained. It was a matter of regret, however, that a number of interventions by Members of Parliament, including Conservative Members, opposed to the Bill had been concerned more with making a demonstration of their strong views than with the substance of the issues.

Integrated Mediterranean Programmes

THE FOREIGN AND COMMONWEALTH SECRETARY said that at the Council of Ministers (Foreign Affairs) on 25 June agreement had been reached on the regulation of integrated Mediterranean programmes. The United Kingdom had successfully ensured that this followed strictly the agreement reached at the last European Council. The Greeks would now have no grounds for raising this point at the European Council on 28 and 29 June. The result demonstrated the value of the United Kingdom's working relationship with the President of the Commission, Monsieur Delors, on this question.

Transport

Previous Reference: CC(85) 19th Conclusions, Minute 3

THE SECRETARY OF STATE FOR TRANSPORT said that the Council of Ministers (Transport) on 24 June had reached a useful agreement on drivers' hours and had made some progress on discussion of a liberal shipping regime. In discussion, however, of the judgment of the European Court of Justice in favour of a liberal road transport regime, the United Kingdom and the Netherlands had continued to run into strong French opposition to liberalisation. The same problem was also arising in relation to the Channel fixed link, since the United Kingdom would require free access for its lorries both into France and through France to other destinations.

In discussion it was said that it was unsatisfactory that the United Kingdom had open arrangements for the shipping cabotage trade under which vessels of other member states could trade freely in and out of United Kingdom ports, while British ships did not have similar access to

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the cabotage trade elsewhere: the Netherlands, Belgium and the Republic of Ireland did give such access and, as a result of bilateral approaches, the Federal Republic of Germany and Denmark had now agreed to do so, but other member states did not. It was also important to maintain pressure against cargo reservations and to achieve a more effective Community position on some international shipping issues. It would be helpful if, for the European Council on 28 and 29 June, the Prime Minister had available a note summarising those cases where other member states' actions did not in practice match their statements on the development of the Community and the respect of Community obligations.

Vehicle
Emissions

Previous
Reference:
CC(85) 21st
Conclusions,
Minute 3

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In discussion it was noted that it was still unclear whether the Council of Ministers (Environment) on 27 June could reach agreement on detailed vehicle emission standards consistent with the Council's own broad agreement of 20 March. If there were no agreement, some member states might advise their Heads of Government to raise the matter in the margins of the European Council of 28 and 29 June. The Federal Republic of Germany was taking a line which seemed to be contrary to the agreement of 20 March, at least in relation to medium-sized cars, but was conscious of the risk of illegality if they were to decide to go it alone on standards and fiscal incentives. The French Government, however, was taking a robust line in respect of the agreement already reached.

The Cabinet -

Took note.

Cabinet Office

27 June 1985

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