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CC(85) 29th
Conclusions

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CABINET

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

TUESDAY 15 OCTOBER 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 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 Leon Brittan QC MP
Secretary of State for Trade and Industry

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 Sir Keith Joseph MP
Secretary of State for Education and Science

The Rt Hon Peter Walker MP
Secretary of State for Energy

The Rt Hon Michael Heseltine MP
Secretary of State for Defence

The Rt Hon George Younger MP
Secretary of State for Scotland

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 Transport

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

The Rt Hon Kenneth Baker MP
Secretary of State for the Environment

The Rt Hon Kenneth Clarke QC MP
Paymaster General

The Rt Hon John MacGregor MP
Chief Secretary, Treasury

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ALSO PRESENT

The Rt Hon John Wakeham MP
Parliamentary Secretary, Treasury

SECRETARIAT

Sir Robert Armstrong
Mr C L G Mallaby (Items 2 and 3)
Mr A J Langdon (Items 1 and 4)
Mr J H Holroyd (Items 2 and 3)
Mr M J Eland (Items 1 and 4)

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PARLIAMENTARY
AFFAIRS

1. The Cabinet were informed of the business to be taken in the House of Commons in the period up to the prorogation of Parliament which was planned to take place on Wednesday 30 October.

Statement on
the Common-
wealth Heads
of Government
Meeting

THE PRIME MINISTER said that she would make one statement on Monday 28 October to cover the Commonwealth Heads of Government Meeting, her visit to the United Nations anniversary celebrations and her meeting with President Reagan of the United States.

Statement on
the Teachers'
Dispute

THE SECRETARY OF STATE FOR SCOTLAND said that it might be advantageous for him to make a statement on the teachers' dispute in Scotland, in the course of which he could once again set out the terms of the offer made to the teachers the previous August.

THE SECRETARY OF STATE FOR EDUCATION AND SCIENCE said that it would not be appropriate at that stage for him to make a statement on the progress of the dispute in England and Wales. The employers, at the instigation of the Labour, Liberal and Social Democratic Parties' majority on the panel, had increased their offer. The unions had rejected it. It was possible that the forthcoming reconstruction of the membership of the union panel - which would mean reduced representation for the National Union of Teachers (NUT) to reflect a fall in their membership - would break the deadlock, as the NUT would lose their majority on the panel. The separate settlement of the issue of supervision of midday meals might also contribute to a solution. It was, however, now unlikely to be possible to introduce the planned reforms in teachers' conditions of service that year.

THE PRIME MINISTER, summing up a brief discussion, said that a statement by the Secretary of State for Scotland would lead to demands for a similar statement from the Secretary of State for Education and Science which would not be appropriate at that time. The timing of statements needed further consideration.

The Cabinet -

Invited the Secretary of State for Education and Science and the Secretary of State for Scotland to discuss with the Lord Privy Seal and the Chief Whip the need for and timing of further Ministerial statements on the teachers' disputes in England and Wales and in Scotland.

FOREIGN
AFFAIRS

Visit of
Indian Prime
Minister

2. THE PRIME MINISTER said that the Prime Minister of India, Mr Rajiv Gandhi, was making an official visit to London. Indians were prone to regard the British as still harbouring colonial attitudes and as being interested in India only as an export market. It was therefore important that Mr Gandhi should receive the best possible treatment during his visit. The Prime Minister herself had welcomed him on the previous day at London Airport, where some of the arrangements had been less than adequate. She hoped that members of the Cabinet would take coffee with him when he arrived at 10 Downing Street after the meeting of the Cabinet that morning.

In a brief discussion, it was noted that the arrival lounge for important visitors at London Airport South Side was inadequate and ought to be replaced. When this had been considered in the past, it had not been found possible within the constraints upon public expenditure to meet the very high cost of replacing the arrival lounge.

The Cabinet -

1. Invited the Secretary of State for Foreign and Commonwealth Affairs and the Secretary of State for Transport to consider the question of replacing the arrival lounge for important visitors at London Airport South Side.

Middle East

Previous
Reference:
CC(85) 28th
Conclusions,
Minute 1

THE FOREIGN AND COMMONWEALTH SECRETARY said that, as announced by the Prime Minister in Jordan on 20 September, he had planned to meet a joint Jordanian/Palestinian delegation on 1 October. The delegation was to have consisted of the Deputy Prime Minister and Foreign Minister of Jordan and Bishop Khouri and Mr Mohamed Milhem of the Palestinian Liberation Organisation (PLO). The British Government had received from the Jordanian Prime Minister plain, explicit and textual assurances that the delegation would publicly accept United Nations Security Council Resolutions Numbers 242 and 338, renounce violence and terrorism and accept Israel's right to exist. This had been a vital component in the arrangements for the visit. When the Palestinian members of the delegation had arrived in London, they had tried to amend the proposed text to omit any explicit reference to Israel's right to exist. The British side had replied that reference to the right of Palestinians to self-determination must be balanced by reference to Israel's rights. The Palestinian members of the delegation had been in touch with the top level of the PLO, apparently including its leader, Mr Yasser Arafat, himself. They had remained adamant in their refusal to agree to mentioning Israel's right to exist in the proposed text. The British side had taken the view that the basis for the meeting with the Jordanian/Palestinian delegation had ceased to exist and that the meeting therefore could not take place. The Foreign and Commonwealth Secretary had issued a statement which made clear that the Palestinian members of the delegation had after all been unwilling to associate themselves with a statement, which had been agreed with the Jordanian

members of the delegation and which contained explicit references to Israel's right to exist. This account of events had been confirmed in a statement by the Jordanian Government on 14 October. The fact that even moderate members of the PLO were unwilling to acknowledge Israel's right to exist showed the inherent difficulty of the quest for peace.

The Palestinian members of the delegation had given no reason for their change of position. They were of course in personal danger and it might be that their courage had failed them at the eleventh hour. The Foreign and Commonwealth Secretary had seen the two Jordanian members of the delegation. They had been disappointed at the frankness of his statement. Their concern now was to limit the damage caused by this incident to King Hussein of Jordan's initiative for peace in the Middle East.

THE FOREIGN AND COMMONWEALTH SECRETARY said that comment in the British press of 15 October included hostile criticism, on the one hand from British supporters of Israel and on the other from those who accused the Government of giving in to United States pressure. In fact, the United States had welcomed the British decision to receive the joint delegation at the time, and had not expressed other views since then. Moderate comment in the British press was taking the line that the Government had been right to try to advance matters in the Middle East.

In a brief discussion, the following points were made -

- a. The cancellation of the meeting was a serious setback for King Hussein and for his peace initiative. It would also cause problems for the United Kingdom, since supporters of Israel in this country would believe mistakenly that their pressure had caused the cancellation of the meeting. They would be encouraged to seek to apply pressure even more readily in the future.
- b. One historical factor relevant to this episode was that Palestinians still blamed the United Kingdom for leaving Palestine in 1948 and considered this country to be among those responsible for the Palestinians' problems since then.

Hijacking of
the Italian
Cruise Ship
"Achille
Lauro"

THE FOREIGN AND COMMONWEALTH SECRETARY said that the six British members of the crew of the "Achille Lauro", which had been hijacked by Palestinian terrorists on 7 October, had returned safely to the United Kingdom. Egypt seemed to have handled the incident well in the early stages but the decision to let the terrorists leave Egypt had given rise to difficulties with the United States. The Egyptian Government had probably feared the reaction in Egypt if the hijackers had been prosecuted there. The President of Egypt, Mr Husni Mubarak, had probably known, when he ordered the deportation of the Palestinian terrorists, that a United States citizen had been murdered on board the

"Achille Lauro" during the hijacking; he had probably not known in advance of the United States plan to intercept the aircraft bearing the terrorists.

The British Government had welcomed the United States interception of the aircraft, as a positive move in the struggle against international terrorism. All the countries concerned in the incident would probably now try to reduce the damage to their mutual relations. There was an increased risk of terrorist attacks against United States interests following the incident, and possibly also against British interests.

In a brief discussion, it was argued that the United States had been legally entitled to apprehend the terrorists: piracy was a crime in international law and states had a right to apprehend pirates wherever this was possible. The knowledge that terrorists might be brought to justice should act as a useful deterrent against hijacking in the future. It was a positive feature that Tunisia and Algeria had both refused to accept the Egyptian aircraft bearing the terrorists.

Nigeria

Previous
Reference;
CC(85) 27th
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that the two engineers from Bristow Helicopters Limited had been sentenced by the High Court in Nigeria on 7 October to maximum sentences of seven years for stealing an aircraft and seven years for conspiracy, to run consecutively. An appeal had been filed. He had issued a statement expressing shock and concern and calling for expeditious handling of the appeal. The statement had pointed out the implications of the excessive sentences for United Kingdom/Nigerian relations. The Minister of State, Foreign and Commonwealth Office (Mr Rifkin) had repeated this point to the Nigerian Acting High Commissioner.

The sentences of the two engineers were similar to the sentence facing Major Mohammed Yusufu who had stood trial in Britain for the kidnap of the Nigerian former Minister for Transport. The Foreign and Commonwealth Office was considering whether Nigeria was trying to prepare for an exchange involving the two engineers on the one side and Major Yusufu on the other. There was conflicting evidence on this question. There had earlier been an indication that the Nigerian leadership understood that the United Kingdom would not entertain the idea of a bargain and that the two engineers must be fairly dealt with. Subsequently, however, the Nigerian High Court had meted out the excessive sentences on the two engineers. Most recently there had been indications that the President, General Babangida, intended to act leniently towards the two engineers, but there had also been indications pointing in other directions. The truth might be that no one in Nigeria was in a position to take a definite decision. It would be necessary to consider whether there were other measures open to the United Kingdom for persuading the Nigerian Government to take a sensible decision.

Belgium

Previous Reference: CC(85) 25th Conclusions, Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that, in the general election on 13 October in Belgium, the Flemish speaking Christian Democratic Party of the Prime Minister, Mr Wilfried Martens, had been the victors. This was welcome news for the United Kingdom.

International Monetary Matters

THE CHANCELLOR OF THE EXCHEQUER reported on the International Monetary Fund/World Bank meetings held in Seoul on 6-9 October. These had been attended by the Economic Secretary, Treasury, and the Governor of the Bank of England. The meetings had considered proposals by the United States Treasury Secretary for ameliorating the financial problems of least developed countries and the international debt problems of the countries of Latin America. The proposals on the former had not made much progress. For the latter, the United States Treasury Secretary had proposed greater involvement of the World Bank, which seemed sensible, and of commercial banks, an option which needed to be treated with more caution. Further talks on these ideas would be held before the International Monetary Fund/World Bank meetings in spring 1986.

The Cabinet -

2. Took note.

COMMUNITY AFFAIRS

Air Service Agreement with Belgium

3. THE SECRETARY OF STATE FOR TRANSPORT reported the successful conclusion of a bilateral air service agreement with the Belgian Government on terms at least as good as that previously concluded with the Government of the Netherlands. This was the fourth agreement concluded with a member state of the European Community, and he believed that agreement would be possible with further Community countries.

The Cabinet -

Took note.

HOME AFFAIRS

Disturbances
at Tottenham

Previous
Reference:
CC(85) 28th
Conclusions,
Minute 3

4. THE SECRETARY OF STATE FOR THE HOME DEPARTMENT reported that police inquiries into the disturbances in the Tottenham area of London the previous week were proceeding satisfactorily. Over 750 arrests had been made following the disturbances in Handsworth, Brixton, Liverpool and Tottenham. The police were currently reviewing tactics and equipment needs in the light of the recent experiences with such disturbances. He also expected to receive a number of requests for increases in police numbers. While he believed such requests should be viewed sympathetically, they also needed to be tested against real need. He was anxious not to lose, through an over-generous provision in response to immediate events, the gains in efficiency that had been made over the past years.

In discussion the following points were made -

- a. It was important that the police were provided with the resources they needed, particularly to tackle the drugs traffic that was a contributory factor in the disturbances.
- b. There was a certain element in the disturbances which could be dealt with only through firm police action. It was important, however, to stop this element from growing. This was not simply a matter of increasing expenditure in inner city areas. It was notable that Handsworth, Brixton and the Broadwater Farm Estate in Tottenham had all benefited from significant sums of public money. The problems needed to be considered in a wider setting. It was, however, necessary to take a sober look at how that money was being spent.
- c. There was now a very significant problem caused by those who, from positions of secure employment in the private sector, usually sinecures with local authorities, devoted their time and energies to fermenting opposition to Government policies. It was interesting in that connection to note the success of the Docklands renovation project, which was a co-operative project with the private sector bypassing local authorities. It was very possible that this was a better mechanism for channelling public funds to areas than through local authorities that were inherently vulnerable to manipulation by extreme left wing groups.
- d. It was also important to consider education as an influence in the disturbances. There was growing evidence of political indoctrination in schools. Parents were often too afraid to complain. The Prime Minister had already asked the Secretary of State for Education and Science to investigate this.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet were agreed upon the need fully to support the police in dealing with these disturbances, and to be ready to meet bids for extra police manpower directed at real needs. The Home Secretary was already in touch with colleagues concerned to find ways to steer deprived communities away from such disturbances. The other issues mentioned in discussion should be further explored.

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The Cabinet -

Invited the Home Secretary, the Secretary of State for Education and Science, the Secretary of State for the Environment and the Secretary of State for Scotland to explore further and follow up as appropriate the issues raised in the course of the discussion, as indicated in the Prime Minister's summing up.

Cabinet Office

15 October 1985

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