

CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 1 MAY 1986
at 10.00 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
(Item 1)

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 George Younger MP
Secretary of State for Defence

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 Malcolm Rifkind QC MP
Secretary of State for Scotland

The Rt Hon Paul Channon MP
Secretary of State for Trade and Industry

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Michael Havers QC MP
Attorney General (Item 1)

The Rt Hon John Wakeham MP
Parliamentary Secretary, Treasury

SECRETARIAT

Sir Robert Armstrong
 Mr D F Williamson (Items 2 and 3)
 Mr C L G Mallaby (Items 2 and 3)
 Mr J B Unwin (Item 1)
 Mr A J Langdon (Item 1)
 Mr M J Eland (Item 1)

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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.

Calcutt Report THE PRIME MINISTER said that she understood that there were unresolved legal issues arising from Mr David Calcutt's Report on the investigations carried out by the service police in Cyprus in 1984. It was important that the Government should have a clear line on any significant matters raised by the Report before it was published. If that meant that its publication had to be delayed for a week or so, no harm would result. The Secretary of State for Defence should take this forward in consultation with the Attorney General as necessary.

The Cabinet -

1. Took note.

Civil Service
Pay

THE CHANCELLOR OF THE EXCHEQUER said that agreement had now been reached, subject to formal ratification, with the main Civil Service unions on an increase in basic pay of 6 per cent as the pay settlement for 1986-87. This was slightly more than he had hoped but was less than settlements in recent months for local authority manual workers and teachers and was below the average of settlements in the private sector. He realised that this would put pressure on departmental running cost limits but he must emphasise the importance of maintaining these limits, particularly in the first year of operation of the new scheme. It had been recognised when limits had been set for 1986-87 that pay increases might create pressure upon them. He believed that the limits would hold if colleagues took offsetting action now. If there were exceptionally difficult problems for any particular Department the Chief Secretary, Treasury would be prepared to consider them in the autumn but he would have to resist any but the most exceptional cases. To prevent further pressures on limits, he must ask colleagues to resist further claims for additions above the agreed level of pay rates for particular groups on management grounds. If, however, there were cases where increases were necessary, these must be included within the main pay settlement for 1987.

THE PRIME MINISTER, summing up a short discussion, said that it was essential that running cost limits were maintained and exceptions to this should be avoided if at all possible. It was important for Departments to take offsetting action so as to be able to live within limits. The Cabinet noted the Secretary of State for Education and Science's concern at the implications for the science budget of the knock-on effects of the settlement for the pay rates of scientists employed by research councils and universities. He should discuss this further with the Chancellor of the Exchequer.

The Cabinet -

- 2. Took note with approval of the Prime Minister's summing up of their discussion.
- 3. Invited the Secretary of State for Education and Science to discuss further with the Chancellor of the Exchequer the consequences of the settlement for the science budget.

Disturbances
in the Prisons

Previous
Reference:
CC(86) 14.1

THE HOME SECRETARY said that serious disturbances had taken place the previous day at Northeye, Lewes, Wymott, and Bristol prisons, and Erlestoke youth custody centre. The disorders had been brought under control at all these establishments except Northeye, which had been badly damaged by fire and where prisoners still remained on the loose within the prison perimeter. Prisoners had escaped both from Northeye and from Erlestoke, some had been recaptured, but others were still at large. At Bristol the police had quickly and effectively taken control of the establishment.

The cause of the disorders had been the decision by the Prison Officers' Association (POA) to ban overtime working by their members. This action, in furtherance of the POA's industrial relations objectives on which he had reported to Cabinet at their meeting on 10 April, had raised tension, encouraged inmates to disorder and depleted the resources available to deal with it. The key industrial relations issue was the way in which manning levels were settled. There had been hopes of reaching an agreement the previous week which would have avoided industrial action, but these had been dashed when the POA refused to call off their action. The most that the POA had been prepared to do was to offer to suspend their action while talks continued. They had not disowned industrial action that had flared up at Gloucester and other prisons. In the circumstances he had had no choice but to call off his talks with the POA while they maintained their present attitude. There had been a mixed response to the requests that Governors were now making to staff to resume normal working, but it would be unwise to underrate the lengths to which the POA would go, or the tradition of loyalty to the POA among prison officers.

He had made a holding statement to the House of Commons the previous evening and would now need to make a fuller one, explaining the background, offering reassurance about the maintenance of security, and dealing with the questions that would doubtless be raised about the need for some kind of inquiry. The main point on security was ensuring adequate liaison with the police, who would need to keep sufficient manpower and anti-riot equipment available. If it was necessary to operate armed forces camps as temporary prisons, emergency legislation would be needed, as it had been in 1980. One matter that would need careful consideration as the dispute developed was the fact that, through an unintentional result of the drafting of the Act, the POA

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lacked immunity from civil action for damages under the Trade Union and Labour Relations Act 1974. It would be a delicately balanced judgment whether to exploit that adventitious situation by seeking an injunction against the POA pending the trial of an action for damages against them.

THE PRIME MINISTER, summing up a short discussion, said that contingency arrangements had been activated under the Cabinet Office to co-ordinate the Government's handling of the situation in the prisons. The Lord President of the Council would chair a group of Ministers to supervise these arrangements, in her absence at the Tokyo Economic Summit. In addition to the Home Secretary, the Secretaries of State for Defence and Employment, the Chief Secretary, Treasury and the Attorney General would need to be involved. The Secretary of State for Northern Ireland would also be concerned since the POA had extended their industrial action to Northern Ireland, where there had been minor incidents at the Maze and Belfast prisons on the previous day. The widest range of responses would need to be analysed, including the point mentioned by the Home Secretary about the POA's lack of immunity under industrial relations legislation.

The Cabinet -

- 4. Took note, with approval, of the Prime Minister's summing up of their discussion.
- 5. Noted that the Lord President of the Council would take charge of the co-ordinating group of Ministers that the Prime Minister had described.

FOREIGN AFFAIRS

Nuclear Power Station Disaster in the Soviet Union

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that the recent accident at the complex of nuclear power stations at Chernobyl in the Ukraine was a very serious event. The fire in one of the reactors was probably still burning. The Soviet Union had released too little information too late. It would be a blow to the credibility of the General Secretary of the Communist Party of the Soviet Union, Mr Mikhail Gorbachev.

It was not yet clear how many people had been killed. The Soviet authorities were still claiming that the figure was only two. There was a high risk of widespread damage. An area of two miles radius around the accident could remain uninhabitable for two years. At much greater distances there could be risks, for instance through the consumption of milk; but the levels of radiation outside the Soviet Union were unlikely to be harmful. The United Kingdom and other countries had offered advice and assistance to the Soviet Union but these offers had not so far been taken up. The Government had advised British students at Kiev and Minsk to leave the Soviet Union. The Soviet authorities were not placing obstacles in the way. The British Embassy in Moscow would

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be willing to advance the travel costs of students, if necessary. The students should be able to leave the Soviet Union that evening.

THE SECRETARY OF STATE FOR ENERGY said that the type of nuclear reactor involved in this accident, which had originally been developed by the military in the Soviet Union, had always been thought by the Central Electricity Generating Board to be dangerous. The heat in the reactor reached levels more than double those in any British nuclear power station. There were some 15 reactors of this type operating in the Soviet Union. Reactors of this type would not be approved for use in the United Kingdom. He had confidential information that a British firm had been asked two years previously by the Soviet authorities to evaluate this type of reactor and had produced a very critical report. He would be making clear in public the differences between the Soviet reactor in question and the types of reactor in use in the United Kingdom. He would also be pointing out the relevant differences between the political systems in the Soviet Union and the West: in the Soviet Union there were no public inquiries and no pressure groups which insisted on safety. The safety record of nuclear power in Western Europe - where 65 per cent of electricity in France, 55 per cent in Belgium, 25 per cent in the Federal Republic of Germany and 25 per cent soon in the United Kingdom was provided by nuclear generation - was extremely good.

In discussion the two major differences between nuclear power in the Soviet Union and in the West were further brought out. On the one hand, the Soviet reactor where the disaster had taken place was of a type which was quite different from any in use in Britain and would never have been approved for use in this country. Secondly, the contrasts between the political systems in the Soviet Union and in the West had many implications relevant to nuclear safety. The public in the Soviet Union was told very little about matters of this kind. Inquiries, such as that concerning Sizewell, were out of the question there. Furthermore, since the public in the Soviet Union was in no position to insist on safety, the safety measures adopted were far less rigorous than in the West. The contrast between the Soviet disaster and the nuclear accident at Three Mile Island in the United States, where the plant had shut down of its own accord, was clear. The public in the West, but not in the Soviet Union, was also in a position to insist on proper maintenance of nuclear power stations.

It was felt that the main objective of the Government in commenting publicly on the Soviet nuclear disaster should be to counter the view, which would inevitably be expressed, that the British nuclear power programme should be cut back because of the Soviet disaster. The Government should bring out the technical differences between the Soviet reactor in question and the reactors used in the United Kingdom. It would also be appropriate to draw attention to the relevant differences between the political systems together with their implications; but this should be done in a way designed to avoid any appearance of exploiting the nuclear disaster in the Soviet Union in order to make political points.

The following further points were made in discussion:

- a. There was no sign and no likelihood of fall-out from the Soviet nuclear disaster reaching the United Kingdom. Thorough monitoring was taking place, notably of the atmosphere and of milk.
- b. The Soviet Union had plans to increase by more than 100 per cent its generation of electricity by nuclear power. Despite the disaster at Chernobyl, it was likely to press ahead with those plans. The Soviet Ambassador had informed the Prime Minister on the previous day that reactors at other sites in the Soviet Union, which were of the same type as those at Chernobyl, would not be closed down.
- c. This event would intensify the demand in the West that the Soviet Union should accept proper verification of arms control treaties. If the Soviet authorities misled their public and the world about a civil disaster, they must be expected to be even more secretive about military matters.
- d. The Secretary of State for the Environment had on the previous day announced closer controls over discharges into the Irish Sea from the Sellafield power station. He planned to publish on the following day the Government's reply to the report on Radioactive Waste Disposal by the House of Commons Select Committee on the Environment. The Government's reply was due to be debated in the House of Commons on 13 May. It might be for consideration whether to delay the publication of the reply and also the debate, since reactions in present circumstances were likely to be artificial.
- e. It was interesting that the authorities in Poland were being open with public opinion about the Chernobyl disaster and its effects, in contrast with the Soviet authorities.
- f. The London Festival Ballet Company was due to visit the Soviet Union during the following weekend and was considering cancellation of the visit. Cancellation of the entire visit, including the company's performances in Moscow, was not justified by the nuclear disaster and would appear alarmist. It might lead to suggestions, for instance, that the British Embassy staff in Moscow should be withdrawn. If the company was due to visit another city, where nuclear contamination had taken place, it might be appropriate to propose to the Soviet authorities that the visit should go ahead but include only Moscow and that, if this was necessary in order to make the tour financially viable, they should make payments to compensate for the cancelled performances.

THE PRIME MINISTER, summing up the discussion, said that one of the most important aspects of this matter was that nuclear contamination crossed international borders and that international standards must therefore be observed. As she had told the Soviet Ambassador on the previous day, the Soviet authorities should agree to international inspection of the disaster area.

The Cabinet -

1. Took note, with approval, of the Prime Minister's summing up of their discussion.
2. Invited the Foreign and Commonwealth Secretary, in consultation with the Minister of State, Privy Council Office, to arrange for the London Festival Ballet Company to be given appropriate advice about their imminent visit to the Soviet Union.

Change of Soviet Ambassador in London

Previous Reference: CC(86) 14.2

THE FOREIGN AND COMMONWEALTH SECRETARY said that the new Soviet Ambassador in London, Mr Leonid Zamyatin, had now arrived. The Prime Minister had received him, most exceptionally, on the previous day since he had brought a personal message from the Soviet leader, Mr Mikhail Gorbachev, for delivery before the Seven Power Summit in Tokyo the following weekend. Mr Zamyatin was a totally different type of Ambassador from his predecessor. He was forceful, accustomed to take a hard line, and a professional propagandist. He would seek exceptionally good access to British Ministers. It was important that colleagues should bear in mind, when considering requests for meetings with the new Ambassador, that the British Ambassador in Moscow had great difficulty in securing access to senior party figures and Ministers in the Soviet Union.

THE PRIME MINISTER, summing up a brief discussion, said that colleagues should not agree to see Mr Zamyatin except when there was a specific reason.

Libya

Previous Reference: CC(86) 17.4

THE FOREIGN AND COMMONWEALTH SECRETARY said that Libya had expelled 20 British citizens, who had been engaged in consultancy work in Libya. This had been undertaken in explicit retaliation for the deportation from this country of 22 Libyans who were revolutionary activists. Members of the British community in Libya were continuing to leave the country, without panic. The Government had informed British Caledonian Airways (BCal) that it had no objection to the resumption of services to Libya; but BCal had not resumed flights because they had been unable to make satisfactory insurance arrangements. He would be discussing with colleagues later that day other possible measures which European Community countries might take towards Libya.

South Africa
Previous
Reference:
CC(86) 17.4

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Commonwealth Eminent Persons Group on South Africa was meeting in London. The South African reply to the Group had been reasonably positive.

In a brief discussion, it was pointed out that the South African Government had introduced important reforms during the period since the Commonwealth Eminent Persons Group had started work. Members of the Group were hopeful of achieving worthwhile results; this would encourage them to continue in their work.

India
Previous
Reference:
CC(86) 14.2

THE FOREIGN AND COMMONWEALTH SECRETARY said that security forces had entered the Golden Temple complex in Amritsar on 30 April but apparently had avoided the sacred buildings themselves. This had been done with the agreement of the moderate Sikh government in Punjab. The operation appeared to have been reasonably successful but it was not yet clear whether the extremist leaders had been arrested or were merely in hiding, or whether there had been casualties. The authorities in this country had been alerted to the possibility of demonstrations or violence by Sikh residents here.

Protection of
Intelligence
Sources

THE FOREIGN AND COMMONWEALTH SECRETARY said that, although the United States and United Kingdom Governments had revealed carefully selected intelligence information in connection with Libya's support of terrorism, it was most important that colleagues should continue to be as careful as before not to reveal intelligence information or to compromise sources.

Supplementary
Extradition
Treaty Between
the United
States and
the United
Kingdom

THE SECRETARY OF STATE FOR NORTHERN IRELAND stressed the importance of the proposed Supplementary Extradition Treaty between the United States and the United Kingdom being approved by the United States. It would be helpful if the Prime Minister could raise this with the United States President during the Seven Power Summit in Tokyo the following weekend.

In discussion, it was noted that the United States Administration was strongly in favour of the proposed Treaty and was making major efforts to secure the approval of the Congress. The latest information from Washington was that the Administration was delaying the vote in the Senate, in the hope of securing a better result.

The Cabinet -

- 3. Took note.

COMMUNITY
AFFAIRS

Agricultural
Price
Settlement

Previous
Reference:
CC(86) 17.5

3. THE FOREIGN AND COMMONWEALTH SECRETARY said that the agricultural price settlement which had been reached in the Council of Ministers (Agriculture) on 21-25 April, must be regarded as a considerable success, not least for the Minister of Agriculture, Fisheries and Food. There would be a freeze on Community support prices for most products; a reduction in milk quotas; further curbs in the cereals sector; and modest adjustments of monetary compensatory amounts, with a small increase in support prices in national currencies in some member states including the United Kingdom. The package as a whole was clearly a cut in support in real terms. The Minister of Agriculture, Fisheries and Food had succeeded in removing from the package those elements on cereals, beef and sheepmeat which would have discriminated against United Kingdom farmers. The package would reduce the cost of the common agricultural policy by about 320 million ecu (£205 million) in 1986 and about 450 million ecu (£290 million) in 1987. This saving was greater than in the Commission's original proposal. Because of other factors, however, a serious budget problem remained. The Minister of Agriculture, Fisheries and Food had made quite clear that overall expenditure in 1986 and 1987 must be kept within the 1.4 per cent value added tax (VAT) ceiling.

Finance

THE CHANCELLOR OF THE EXCHEQUER said that the Community budgetary situation and prospects had been discussed in the Council of Ministers (Economy and Finance) on 28 April. Although the agricultural price settlement itself was good, other pressures for higher expenditure on agriculture and the structural funds would overturn important elements of the budgetary discipline package that year; total Community expenditure would go above the levels set by the reference framework and the agricultural guideline, although the 1.4 per cent VAT ceiling must of course be respected. In order to prevent a real risk to that ceiling in 1987, further savings must be found. There had been a difficult discussion on settling the reference framework for 1987 expenditure, but agreement had been reached. The handling of budgetary issues during the United Kingdom Presidency in the second half of 1986 would be difficult and the European Parliament was not disposed to discuss budgetary discipline.

Trade
Relations
with the
United States

Previous
Reference:
CC(86) 17.5

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that he expected that after the Tokyo Economic Summit the United States would take action against some Community exports because of the alleged losses to United States agricultural exports from the accession of Spain and Portugal. He thought, however, that the United States, whose negotiating position was not acceptable, were now trying to find a way through this dispute. More generally, he expected that the President of the United States, Mr Reagan, would raise at the Tokyo Economic Summit the wider question of agricultural trade and protectionism.

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In discussion it was said that this should not be presented as only a problem of the common agricultural policy. It was important to secure as wide a recognition as possible that the rolling back of excessive support and protection in the agricultural sector was a task for all developed countries including the United States and Japan.

The Cabinet -
took note.

Cabinet Office
1 May 1986

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