

(86) 19th
conclusions

CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 8 MAY 1986
at 10.30 am

P R E S E N T

The Rt Hon Margaret Thatcher
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

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 Nicholas Edwards MP
Secretary of State for Wales

The Rt Hon John Biffen MP
Lord Privy Seal

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 Michael Jopling MP
Minister of Agriculture, Fisheries and Food

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 Clarke QC MP
Paymaster General

The Rt Hon John MacGregor MP
Chief Secretary, Treasury

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 John Wakeham MP
Parliamentary Secretary, Treasury

The Hon William Waldegrave MP
Minister of State, Department of the
Environment (Item 1)

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SECRETARIAT

Sir Robert Armstrong
Mr D F Williamson (Item 2)
Mr C L G Mallaby (Item 2)
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 and that the House of Commons would rise for the Spring Adjournment on Friday 23 May until Tuesday 3 June.

House of
Commons
Privileges
Committee
Report

THE LORD PRIVY SEAL said that a Report from the Committee of Privileges would be published that day concerning the leak to The Times in December 1985 of the draft Report of the House of Commons Select Committee on the Environment concerning radioactive waste. The Environment Committee had referred the matter to the Privileges Committee when they had been unable to identify the source of the leak. The Privileges Committee had considered the matter and taken evidence from the Chairman of the Environment Committee (Sir Hugh Rossi MP) who had reported the view of the Committee that the leak had caused "substantial interference" to its work. The Committee had also examined witnesses from The Times. They had admitted that they were fully aware that in publishing their leak they were committing a breach of privilege but they had offered no apology and no further information as to the source of the leak and had refused even to exclude any category, such as the staff of the House, as the source of the leak. This attitude had much influenced members of the Committee, and they had agreed, with Mr Tony Benn MP dissenting, to recommend that Mr Richard Evans, the author of the original article, should be excluded from the Palace of Westminster for six months; and that Lobby passes for The Times should be reduced by one for the same period. The voting in the Committee reflected cross-party support for this action. Mr Benn's dissent had been based on his opposition to the Lobby system and to the application of Parliamentary privilege to this area as a matter of principle, rather than as a comment on the particular circumstances of this case. He proposed that the Report should be debated shortly and in a low-key fashion. He would make a purely narrative and factual speech and would stress that it was a House of Commons, rather than a Government, matter. It was important, however, for the credibility of the Privileges Committee that its recommendations should be carried, given the strong feelings expressed not only by Chairmen of Select Committees but also by the members of the Privileges Committee itself.

In discussion the following points were made -

- a. The Report would provoke strong adverse comment in the media, and it would be difficult to avoid the Government being drawn in. It would, not unreasonably, be presented as an over-reaction and as an instance of the House acting in a self-important and pompous fashion. There were frequent leaks from Government Departments which also caused serious problems and it was difficult to see why leaks from a Select Committee should be regarded any differently.
- b. The attitude of the Labour Party towards the Report would no doubt be conditioned by the current industrial dispute at Times Newspapers.

c. The action proposed, and especially the penalty on Mr Evans, seemed over-severe. One course of action might be to ensure that an amendment was tabled to reduce the penalties.

d. The whole question of the use and abuse of privilege might bear further examination. To defend privilege in this instance, in the wake of recent cases where Members had abused privilege to make allegations of fraud and other crimes, reflected badly on the House.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet fully recognised the very difficult position in which the Lord Privy Seal had been placed by the voting of members of the Privileges Committee. The Report would, however, generate adverse comment in the media and it was important to ensure that this did not reflect on the Government. The matter would need very careful handling and this should be considered further by a small group under the chairmanship of the Lord President of the Council, consisting of the Lord Privy Seal, the Chancellor of the Duchy of Lancaster, the Secretary of State for Trade and Industry and the Parliamentary Secretary, Treasury. The group should consider the arrangements for, and timing of, a debate on the report including the question whether an amendment should be tabled; it should also consider whether it would be helpful to stimulate a wider consideration of Parliamentary privilege. It should report back to the Cabinet at its next meeting.

The Cabinet -

1. Invited the Lord President of the Council, in conjunction with the Lord Privy Seal, the Chancellor of the Duchy of Lancaster, the Secretary of State for Trade and Industry and the Parliamentary Secretary, Treasury, to consider further the handling of the Report, taking account of the points made in discussion and in the Prime Minister's summing up, and to report back to the Cabinet at its next meeting.

Hong Kong
(British
Nationality)
Order

THE LORD PRESIDENT OF THE COUNCIL said that there was a serious risk of a Government defeat in the House of Lords on the Hong Kong (British Nationality) Order when it was considered by that House on Friday 16 May. The House of Lords rarely divided over a motion to approve an affirmative instrument or to annul a negative instrument but there was no set convention and there were a number of precedents for a division. In this instance the Opposition did not wish to be seen to divide on the Order itself. They had, therefore, proposed to move a motion calling on the Government to withdraw the Order. The effect of the motion, if carried against the Government, would be to require the withdrawal and re-laying of the Order. The Opposition's particular concern in this instance was only with that element of the Order which affected ethnic minorities. The non-Chinese ethnic minority (mainly Indians) were

concerned at their future status once the Lease expired and wished to be granted British citizenship, whereas the Order granted them British overseas citizenship. The business managers in the House of Lords would do all they could to avoid a division and to win the vote if a division was called. The Foreign and Commonwealth Secretary and the Home Secretary were assisting him in this objective but he must warn the Cabinet that feelings in the House ran high on the issue and the possibility of a defeat could not be ruled out.

In discussion the following points were made -

a. The position of ethnic minorities was one of three issues that had been raised by the Hong Kong Legislative Council. On the other two - the grant of British citizenship to some 500 former servicemen who fought in the Second World War and the question of a special endorsement on passports - accommodation satisfactory to both parties had been reached and this had assuaged opinion in Hong Kong to a considerable extent.

b. It was not possible to give selective treatment to this particular ethnic minority. Nor could it be argued that the numbers involved were small in immigration terms. If all who had a possible avenue to the present status of British dependent territory citizens were taken into account there would be some 80,000 potential immigrants.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that the Government must proceed with the Order while noting the difficulty that could occur in the House of Lords. The Home Secretary and Foreign and Commonwealth Secretary should give what assistance they could to the Lord President of the Council in persuading backbench Peers that rights of ethnic minorities in Hong Kong were already safeguarded and the additional protection of British citizenship was neither required nor justified.

The Cabinet -

3. Took note.

Prisons
Dispute

Previous
Reference:
CC(86) 18.1

THE HOME SECRETARY said that following the ending of industrial action by the Prison Officers' Association (POA) the previous week, discussions had taken place between the Permanent Under Secretary of State, Home Office and the national executive of the POA. The discussions had gone reasonably well and were continuing. Further developments would be influenced by the approach of the POA Conference at the end of that month.

The Cabinet -

4. Took note.

Nuclear Power
Disaster in
the Soviet
Union

Previous
Reference:
CC(86) 18.2

THE MINISTER OF STATE, DEPARTMENT OF THE ENVIRONMENT, said that, contrary to the indications reported at the previous week's Cabinet, the cloud of radioactive fall-out from Chernobyl had reached the United Kingdom on 2 May. The radiation was generally nowhere near the levels at which there was any hazard to health, but as a result of heavy rain in Northern England and Wales and parts of Scotland it had been appropriate to warn people against drinking fresh rainwater over long periods. The latest information was that the ultimate residue of the radioactive cloud had returned to the United Kingdom, but in so attenuated a form that even heavy rain would not lead to any significant increase in radiation levels. The Secretary of State for the Environment had made a statement in the House of Commons on 6 May setting out the arrangements for keeping the situation under review and making it clear that there was no significant threat to health in the United Kingdom. Co-ordination between Departments was now working well. The Department of the Environment had set up arrangements to provide a clearing house for information put out by the Government on the matter and the Ministry of Agriculture, Fisheries and Food, which was responsible for the monitoring and control of foodstuffs, had set up an incident room. The Cabinet Office, through the Civil Contingencies Unit, had established arrangements for the interdepartmental consideration of policy issues.

In discussion the following points were made -

- a. Radioactivity was widely seen as mysterious and threatening, and it was very difficult to present the facts in a way that was both scientifically valid and readily understandable by the general public. Telling illustrations of radiation levels, and easily grasped explanations of the relevant scientific concepts could, indeed, be devised, but this kind of public education exercise could not be done in a hurry.
- b. There was no reasonable doubt that the type of reactor at Chernobyl was far more dangerous than anything that would be authorised in the United Kingdom. Nevertheless, the view was being put about in the press that there were similarities between the Russian reactors and the Magnox reactors in the United Kingdom, in respect of their provisions for containment. That was to ignore a number of important differences, particularly the fact that Magnox reactors operated at a far lower temperature than did the type of reactor at Chernobyl. If, however, a public campaign against Magnox reactors gained momentum, there would be serious implications for British energy policy. One point that could prove difficult was that Italy and Japan both had a small amount of power produced by Magnox reactors: and it was possible that they might be forced by public opinion into closing them down. That would be little more than a gesture in the circumstances of those countries but it would greatly increase the difficulties of defending Britain's own, much larger-scale, use of Magnox reactors. The Secretary of State for Energy had asked the Chairman of the Central

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Electricity Generating Board (CEGB) to prepare a statement as soon as possible, defending the Magnox reactors against false comparisons drawn from the Chernobyl disaster.

c. Although Magnox reactors in the United Kingdom had a very good safety record, and were operating well within their margins, they were now some 30 years old and were giving rise to frequent minor episodes. Any campaign against them would be likely also to involve the reprocessing plant at Sellafield with which their fuel supply was intimately related.

d. Domestic and international responses to the implications of the Chernobyl incident interacted in a complex way. This was especially difficult to predict while the full scale of the disaster might not yet have been appreciated. One case in point was the European Community regulation for a temporary ban on the import of certain foodstuffs from various Eastern European countries: this might not have been altogether soundly based in scientific terms but it had been inescapable politically. It was possible that, as better information became available about the disaster, pressure would build up for a closure of all similar reactors in the Soviet Union. As international activity developed, so domestic concerns might increase and change their focus. A further significant international factor was the forthcoming election in the Netherlands, which had led the Government there to suspend all decisions on their nuclear power programme until more was known about the accident at Chernobyl. The harmonisation of Government lines in all these dimensions needed subtle handling.

e. While it was important that the nuclear energy programme in the United Kingdom should be vigorously defended, it could well be counter-productive simply to rest on Britain's good record, and to blame the Russians for what had now happened. Public confidence in nuclear energy generally had undoubtedly been shaken and the best way forward, with which the Chairman of the CEGB agreed, would be to aim to restore confidence through a sustained programme of education. The Government's present stance should be to avoid complacency and to await full analysis of the Chernobyl incident before making statements or giving reassurances which subsequent developments might prove to be ill-founded.

f. The Government would shortly have to take a line on a further development in the energy field when the report on the Severn Barrage project was published. This project would be very expensive and uneconomic by normal criteria. The Alliance parties had already indicated that they were attracted by it as a non-nuclear energy project that would also create a large number of jobs. It could figure largely in criticism of the nuclear programme, and it would need to be handled with great care as the end of the present Parliament approached.

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THE PRIME MINISTER, summing up the discussion, said that the Cabinet had noted a wide range of implications of the Chernobyl disaster, and further ones would certainly become apparent. It was essential that the Government's nuclear energy policy should be defended and preserved, though it had to be recognised that genuine public anxieties had been sparked off by the Chernobyl incident. Those anxieties would be played upon by the opposition parties; in particular the Labour Party would do all it could to impede the nuclear programme in an effort to strengthen the position of the coalminers. Satisfactory interdepartmental arrangements for co-ordination had now been established, but Cabinet colleagues would need to keep the developing situation under careful review, to ensure that vital interests were protected. It was very important that critics of nuclear energy should not be allowed to make all the running, and that Ministers should give careful attention to the presentation of the scientific facts in language that the public could understand.

The Cabinet

5. Took note, with approval, of the Prime Minister's summing up of their discussion.

FOREIGN
AFFAIRS

Afghanistan

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that Mr Babrak Karmal had been replaced as the leader of the People's Democratic Party of Afghanistan by Lieutenant General Najibullah. The new party leader was young. He was a hard liner, who had earlier been head of the secret police in Afghanistan. He clearly had Soviet backing. His appointment was unlikely to alter the political situation in Afghanistan or the prospects for Soviet withdrawal from that country.

South Africa

Previous
Reference:
CC(86) 18.2

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Commonwealth Eminent Persons Group had met in London from 30 April to 1 May. There had been talks with a senior South African official during the meeting. The meeting had gone well. The Group saw some hope of progress in the reply which the President of South Africa, Mr P. W. Botha, had sent to their proposals. The Group would shortly visit South Africa for detailed talks with the Government. They might also visit Lusaka to talk to the African National Congress. Meanwhile, President Botha had been in touch with the seven Heads of State or Government who had participated in the Tokyo Summit the previous weekend. This South African approach had been discussed among the Foreign Ministers of the seven countries participating in the Summit. It had been clear that the seven countries were unlikely to agree on a statement which would be acceptable to President Botha or to the Commonwealth countries. The outcome had been a bland reference to South Africa in the Chairman's

summing up at the Summit, which had called for a peaceful end to apartheid and expressed support for international efforts in this direction.

The Economic Summit in Tokyo

THE PRIME MINISTER said that the Economic Summit in Tokyo the previous weekend had been the most successful that she had attended in this series. The fact that several topical subjects had required discussion had helped in making the Summit effective. The points about economic policy which the Government had for years been proposing for inclusion in the economic declarations at such Summits were now included as a matter of course. There had, however, been no progress on the problem of Japan's trade imbalance, although the recent appreciation of over 40 per cent in the value of the yen would have useful effects in this regard. The Prime Minister of Japan, Mr Yasuhiro Nakasone, had wished to set a limit to the appreciation of the yen, but this had not been agreed. There had been discussion of the problem of protectionist pressures in various countries. It would be important to secure a new round of negotiations under the auspices of the General Agreement on Tariffs and Trade, which should cover inter alia trade in services as well as in products, and should cover the trading aspects of intellectual property rights: at present many countries were able to ignore with impunity patents granted under the law of other countries. On the question of agricultural surpluses, it had been very helpful that the Summit had not produced adversarial debate between the United States and the European Community countries; instead, all the participating countries, including Japan, had recognised that they supported agriculture in various ways, and that they should seek together a solution to the common problem of agricultural surpluses. On terrorism, the draft declaration which had originally been submitted by officials of the seven countries had been unacceptably weak. The United Kingdom had put forward an alternative draft. Officials had then proposed a mixed version, which had been strengthened further at British insistence. The resulting declaration had represented a significant step forward. On the disaster at the Soviet nuclear power plant at Chernobyl in the Ukraine, the Summit had issued a sensible declaration, which had pointed out that each country engaged in nuclear power generation bore full responsibility for the safety of the design, manufacture, operation and maintenance of its installations, and that states had responsibilities in the field of nuclear safety not only to their own public but also to the international community.

In discussion the following points were made -

- a. The considerable achievements of the Summit had not been fully recognised in the British media. In particular, the agreement between the seven powers on the question of terrorism should be welcome to public opinion. It would be helpful if Ministers would seek to draw wider public attention to the achievements of the Summit.

b. The 40 per cent increase in the value of the yen, which had taken place over recent months, had been caused very largely by the depreciation of the United States dollar from the very high level it had reached in February 1985. There was, however, scope for some autonomous appreciation of the yen in relation to Western European currencies in the coming period.

Republic of Korea

Previous Reference: CC(86) 12.2

THE PRIME MINISTER said that she had visited the Republic of Korea (ROK) for two days at the end of the previous week on her way to the Seven Power Summit in Tokyo. The Prime Minister of the ROK, Mr L S Yong, had told her that it was hoped that the country would catch up with Japan's standard of living in 15-20 years. Modern, efficient industrial plant, coupled with extensive automation and excellent management, was more important among the reasons for the ROK's economic progress than were the lower wages paid to workers there than in the industrialised democracies. The people of the ROK remained immensely grateful for the part played by the United Kingdom in defending their freedom during the Korean war. It was worth remembering that 1,100 British lives had been lost in that war, more than in the Falklands conflict. The ROK today lived on the frontier of freedom, while North Korea was a closed society where the people were rigorously denied information from outside. With a population of 40 million and a rapidly growing economy, the ROK represented a significant market to which the United Kingdom should pay more attention. During the Prime Minister's visit to the ROK, orders for naval command and communications equipment worth £30 million and for the refurbishment of two blast furnaces for steel making worth £3.5 million, had been clinched.

Saudi Arabia

Previous Reference: CC(86) 7.2

THE SECRETARY OF STATE FOR DEFENCE said that he had just paid a visit of three days to Saudi Arabia. He had received a very warm welcome, and the attitude of the Saudi authorities towards him had become even more favourable during his visit - apparently because of the rejection by the United States Senate of the sale of United States military missiles to Saudi Arabia. The objective of his visit had been to mark the delivery to Saudi Arabia of the first six of the Tornado aircraft to be supplied to that country. It was impressive that these aircraft had been delivered within 60 days of the signature of the agreement and that Saudi pilots and crews had been able to lay on an excellent air display of the aircraft's capability. The Saudi authorities had agreed that British service personnel attached to the Saudi armed forces could maintain the same legal status as before, under which they were not subject to Saudi laws. It was significant that none of his Saudi interlocutors had raised with the Secretary of State for Defence the recent United States military action against Libya.

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In a brief discussion, the following points were made -

- a. The Saudi authorities were clearly conscious that, given the fall in the price of oil, they would have to think very carefully about what imports they could afford. But it was not clear that they had yet adjusted fully to their new financial circumstances.
- b. There were prospects of further important defence sales to Saudi Arabia, notably for Challenger tanks, submarines, aircraft and artillery.

The Tornado sale had originally been seen as a cash deal. The Saudis had later sought other arrangements, including payment by means of oil supplies. Saudi Arabia would be likely, in the context of further possible sales, to press for offset arrangements and perhaps for further payment in oil. The Government would need to adopt a very cautious attitude on the question of accepting payment in oil.

The Cabinet

Took note.

Cabinet Office

8 May 1986

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