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CABINET

CONCLUSIONS of a Meeting of the Cabinet  
held at 10 Downing Street on  
WEDNESDAY 25 JUNE 1986

at 9.00 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

The Rt Hon Peter Walker MP  
Secretary of State for Energy

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 the Environment

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

The Rt Hon Kenneth Baker MP  
Secretary of State for Education and Science

The Rt Hon Kenneth Clarke QC MP  
Paymaster General

The Rt Hon Malcolm Rifkind MP  
Secretary of State for Scotland

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

The Rt Hon John Moore MP  
Secretary of State for Transport

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Michael Havers QC MP  
Attorney General (Item 2)

The Rt Hon John Wakeham MP  
Parliamentary Secretary, Treasury

The Rt Hon John Stanley MP  
Minister of State for the Armed Forces,  
Ministry of Defence (Item 2)

Mrs Peggy Fenner MP  
Parliamentary Secretary, Ministry of  
Agriculture, Fisheries and Food (Item 2)

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SECRETARIAT

Sir Robert Armstrong  
Mr D F Williamson (Items 2 and 3)  
Mr C L G Mallaby (Items 2 and 3)  
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.

Social  
Security Bill  
Previous  
Reference:  
CC(86) 20.2

THE LORD PRESIDENT OF THE COUNCIL said that during the Committee Stage of the Social Security Bill in the House of Lords the unexpected absence of a number of the Government's supporters had led to an amendment being carried which would have the effect of frustrating the Government's intention that everyone should pay at least 20 per cent of their domestic rates. It was quite clear that the amendment would have to be overturned but there was a question of tactics whether this should be done in the House of Lords or in the House of Commons. While there was some advantage in reversing the defeat at Report Stage in the House of Lords, this would be contrary to the normal conventions of that House. He proposed to review the matter in consultation with the Secretary of State for Social Services and the Parliamentary Secretary, Treasury at the conclusion of the Committee Stage of the Bill in the following week. This would enable them to consider tactics in relation to the Bill as a whole and, in particular, to take account of the outcome of consideration in the House of Lords of the appeals mechanisms in the Bill, in which several Law Lords had shown an interest that would not be helpful to the Government. It could be argued that by acting to frustrate a provision of such financial importance, the House of Lords had come close to the boundary of the constitutional conventions within which they operated. He, however, preferred to think that, provided their action was not sustained, it should be regarded as no more than an exercise of their accepted right, as a revising chamber, to invite the House of Commons to think again.

Visit of the  
President of  
The Federal  
Republic of  
Germany

THE FOREIGN AND COMMONWEALTH SECRETARY said that the President of the Federal Republic of Germany, Herr Doktor von Weizsäcker, would be making a State Visit in the following week and on Wednesday 2 July would address both Houses of Parliament. In view of the Federal Republic's role both as partner in the European Community and as an ally in the North Atlantic Treaty Organisation, it was important that his address was well attended both by members of the Government and by other Members of Parliament.

The Cabinet -

Took note.

FOREIGN  
AFFAIRS

Spain

Previous  
Reference:  
CC(86) 17.4

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that the Socialist Party of Spain, led by the Prime Minister, Senor Felipe Gonzalez, had retained its overall majority in the general election on 22 June. Changes of policy by Senor Gonzalez's government, notably on Spanish membership of the North Atlantic Treaty Organisation, had evidently not harmed his public position. The Popular Coalition Party, which stood on the democratic right in Spanish politics, had failed to increase its number of seats in Parliament. The Social Democratic Party, led by Senor Adolfo Suarez, had made some gains.

Malaysia

THE FOREIGN AND COMMONWEALTH SECRETARY said that Mr Kevin Barlow, who had been born in the United Kingdom but now had Australian citizenship, had been convicted, jointly with another Australian citizen, for trafficking in drugs in Malaysia in 1985. Sentences of death had been passed on both. Their appeal had been rejected in December 1985. The British High Commissioner in Kuala Lumpur had approached the Malaysian Ministry of Foreign Affairs in December 1985 to seek commutation of sentence on humanitarian grounds. The Minister of State, Foreign and Commonwealth Office (Mr Renton) had reinforced this with a personal approach to the Malaysian High Commissioner on 23 June 1986. The Australian Government had also been active, but the Australian Prime Minister had said publicly that there was nothing more that the Australian Government could do. Mr Barlow's lawyer was still seeking suspension of execution and had filed a summons questioning aspects of the procedures in the Penang Pardons Board, which had rejected the appeal. If the legal action failed, executions could follow quickly. Every possible step had been taken and would continue to be taken, but it might prove impossible to prevent the executions.

In discussion it was noted that the Minister of State, Foreign and Commonwealth Office, would shortly be visiting Malaysia. It would be particularly unfortunate politically if Mr Barlow should be executed during his visit.

The Cabinet -

1. Took note.

South Africa

Previous  
Reference:  
CC(86) 24.2

The Cabinet had before them the minutes of a discussion on policy towards South Africa in the Defence and Oversea Policy Committee (OD) on the previous day. They also had before them the memorandum by the Foreign and Commonwealth Secretary (OD(86) 10) on which that discussion had been based, and papers by officials on aspects of the question of further measures against South Africa (OD(86) 11).

THE FOREIGN AND COMMONWEALTH SECRETARY said that a businesslike meeting had taken place on the previous day between Mr Oliver Tambo, Acting President of the African National Congress, and the Minister of State, Foreign and Commonwealth Office (Mrs Chalker). Mrs Chalker had laid heavy stress on the need for an end to all violence in South Africa. She had condemned all bombing incidents in the region. Mr Tambo had urged that the Western industrialised countries should introduce further sanctions against South Africa; the black population were willing to accept any effects upon their standard of living.

The general position in the Republic of South Africa was that, since the failure of the mission of the Commonwealth Eminent Persons Group (COMGEP), there had been a strong trend towards authoritarian government, with many arrests and detentions and the introduction of strict controls on news reports.

The objectives of the Government's policy in this situation needed to be clear. They should be, first, to secure the end of apartheid through dialogue and without violence; and, second, to be seen to be acting effectively and sensibly in the light of the universally perceived need for fundamental change in South Africa. The United Kingdom was widely seen as having historical connections with Southern Africa. Our economic stake in the Republic was the biggest of any other country. Many British people lived there. What would happen ultimately in South Africa was not in the power of the British Government to decide, but the United Kingdom could influence other countries towards sensible and coherent policies on the subject.

Following the discussion in OP on the previous day, a key question was whether he should undertake an early mission to South Africa. If he were to do so, it should be undertaken in his capacity as President of the Council of Ministers of the European Community (EC) with effect from 1 July, responding to a request or decision by the European Council. It would be preferable for him to undertake such a mission alone, but it might be considered by some partners in the EC that he should be accompanied by the Foreign Minister of the Netherlands and of Belgium, and the preceding and succeeding Presidents of the Council.

The aims of such a mission should be clearly and specifically related to the promotion of dialogue among the various groups in South Africa and of movement towards reform. The five objectives set out in the Nassau declaration of October 1985 would be seen as defining the aims of the mission. In particular, such a mission should seek to bring about the release from prison of Mr Nelson Mandela and other black leaders, and the renunciation of violence on all sides, as well as a clear declaration by the South African Government of its intention to end apartheid. It would be important to obtain assurances in advance from the South African Government and from the leadership of the black communities that the mission would have proper access to the South African President, Mr P W Botha, and to Mr Mandela and other black leaders. Such a mission should not be seen as a substitute for other conclusions which would have to be reached in the EC and in the Commonwealth. The Government was committed in both fora to consider

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further measures regarding South Africa. All other members of the Commonwealth favoured significant measures. In the EC, only Portugal and, for the present, the Federal Republic of Germany, were resisting further measures. It would be desirable if possible, at the meeting on 26-27 June of the European Council, while maintaining the commitment to consider further measures, to defer decisions on selection of measures so that consultation could then take place with other important countries, notably the United States and Japan. There might, however, be pressure at the European Council to take decisions on an actual selection of measures: some EC countries had already taken measures on their own account.

A mission to South Africa in present circumstances would not be easy. If it was unsuccessful in producing results, that would demonstrate again the intransigence of the South African Government. In those circumstances the pressure for wide-ranging measures against South Africa would probably increase. In undertaking such a mission, he would need to be assured that his colleagues would be prepared to support further measures if necessary, in case the mission failed in its purpose of promoting progress in South Africa. After careful consideration of all the arguments, his judgment on balance was that he should be prepared to undertake such a mission, if the European Council asked him to do so.

At the European Council, there should be no controversy about the desirability of positive measures to help the black population in South Africa. There was no pressure for measures against South Africa in the field of diplomatic relations. As regards other types of negative measures against South Africa, the meeting of OD the previous day had identified some possibilities. It would be prudent to keep some possible measures in reserve for the meeting of certain Heads of Government from the Commonwealth at the beginning of August, when the United Kingdom would come under intensified pressure to adopt new measures. A voluntary ban on new investment in South Africa was an example of a possible measure which was likely to be pressed harder in the Commonwealth than in the EC. On the other hand, a ban on the import of gold coins from South Africa had already been adopted in the Commonwealth and could now be considered in the EC. A ban on imports of uranium from South Africa could be considered by the United Kingdom but might be opposed by other members of the EC.

In discussion of the question of a mission to South Africa, it was argued that the United Kingdom, when holding the Presidency of the European Community and with a meeting in London of certain Commonwealth Heads of Government in prospect, should not give the appearance of being unwilling to accept the responsibility of attempting to promote progress in South Africa. An expectation that the Foreign and Commonwealth Secretary would visit South Africa had grown up in Parliament and the public in this country and also in the EC. In these circumstances, there would be severe disadvantages in not undertaking the mission. These arguments were considered on balance to outweigh the doubt whether, following the failure of COMGEP, the time was yet opportune to play the important card of a visit by the Foreign and Commonwealth

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Secretary to South Africa. There was a high risk that a mission would produce little or no visible progress in South Africa. Even so, a mission would at least enable the Foreign and Commonwealth Secretary and the Government to argue that they were properly informed about the up-to-date situation in South Africa and on this basis to influence more effectively the policy of the Western countries towards South Africa. The public presentation of the mission would be important. It should be presented clearly as an initiative of the EC and care should be taken to avoid arousing expectations of significant success.

The following further points were made -

- a. Judging from the experience of COMGEP, it might be possible for a mission to South Africa to secure the agreement of Mr Nelson Mandela to renounce violence and to work with other black leaders in South Africa. The mission would ask the South African President to state clearly his Government's further proposals for the dismantling of apartheid.
- b. The idea of positive measures to help the blacks in South Africa should be pursued. The question of costs to the United Kingdom would need to be considered.
- c. It would be greatly preferable at the European Council to defer decisions on any selection of negative measures against South Africa. At the same time, the Government should have in mind the risk of gaining little public credit for any measures later adopted, if they appeared to be accepted by the Government only with great reluctance and as a result of pressure from other countries.
- d. Of the possible negative measures noted in OD, the Government could consider bans on the import from South Africa of coal, iron and steel, gold coins and uranium. It would be difficult, with regard to a possible import ban on coal, for the Government to lay great stress on the risk of additional unemployment in the coalmining industry in South Africa at a time when coal mines were having to be closed in this country. The Government could also contemplate the expulsion of South African Military Attaches and a voluntary ban on new investment in South Africa; the latter measure might be more suitable for adoption in the Commonwealth. Any measures identified at the European Council should be put to the United States and Japan.
- e. The United Kingdom should argue strongly at the European Council against a ban on the import of South African fruit, vegetables and wine. This measure would damage rural farmers and black farmworkers in South Africa; might provoke South African retaliation against British exports of whisky; deprive the British merchant shipping industry of some of its business, and (given the heavy dependence of the British market on South African citrus fruit between July and September) bring disadvantages for British consumers including some seasonal effect on the Retail Price Index.

f. The question of introducing a visa requirement for South Africans needed further discussion between the Foreign and Commonwealth Secretary and the Home Secretary, with regard particularly to the possibility that a visa regime might in due course be needed for certain countries in West Africa and should not be seen as having punitive overtones.

g. Sales of strategic metals from the stockpile managed by the Department of Trade and Industry had ceased. Officials had been instructed to consider the future of the stockpile, in line with the conclusions of OD the previous day.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that the Foreign and Commonwealth Secretary should be willing to undertake a European mission to South Africa in the coming weeks, if he was asked by the European Council to do so, preferably on his own but if necessary with the Foreign Ministers of the Netherlands and Belgium. The purpose of the mission would be to promote dialogue and reform in South Africa. One advantage would be to gain an up-to-date first-hand knowledge of the situation in South Africa, which would enhance the authority of the Government's views on the subject. The presentation of the mission would be important; hopes of major progress in South Africa should be discouraged. At the European Council on 26-27 June, she and the Foreign and Commonwealth Secretary would argue for positive measures to help the black population in South Africa, and would seek to defer decisions on selecting negative measures. In any discussion of a selection of measure, she and the British delegation would be guided by the discussion at this meeting.

The Cabinet -

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

3. Invited the Foreign and Commonwealth Secretary, subject to the discussion at the European Council, to be prepared to seek to arrange a mission to South Africa during July, in his capacity as President of the Council of Ministers of the European Community.

4. Invited the Foreign and Commonwealth Secretary and the Home Secretary to consider further the question of a visa requirement for South Africans.

COMMUNITY  
AFFAIRS

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Transport

3. THE SECRETARY OF STATE FOR TRANSPORT said that the results of the Council of Ministers (Transport) on 18-19 June had been disappointing. There had been little progress on aviation and shipping. His judgment was that the prospects for significant forward movement on aviation in the Council during the United Kingdom Presidency were not good. The prospects on some aspects on shipping were better but the resistance of



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some member states to the liberalisation of cabotage remained strong. More progress on the liberalisation of road transport was possible but, because of poor chairmanship, this had not been achieved at this Council. The Presidency had caused particular difficulties for the United Kingdom by threatening to press to a vote a question of axle weights within a package of road transport measures. He had resisted this. At the resumed meeting on 30 June he would agree on axle weights only on condition that the United Kingdom's current maximum axle weight should continue under a derogation which could only be changed by unanimity, as was already the case for lorry weights. In discussion it was said that the European Court of Justice had already decided that the competition rules of the Treaty applied in the aviation sector. Although this question was not clear-cut, there might be a prospect of using this judgment in order to further our objective of greater liberalisation. On cabotage it was highly unsatisfactory that, while the United Kingdom did not impose restrictions on other member states, some of those member states retained restrictions against the United Kingdom shipping industry. It might be necessary for the United Kingdom to take counter measures by equivalent restrictions but we should first obtain the other shipping measures of value to the United Kingdom which were now under discussion and decide whether we could get our way on cabotage through the European Court of Justice or by other means. The Secretary of State for Transport would make available for the Prime Minister for the European Council a briefing note on the restrictive attitudes of certain member states on aviation and shipping cabotage.

The Cabinet -

Took note.

Cabinet Office

25 June 1986

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