

SECRET

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CC(86) 28th
Conclusions

CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 17 JULY 1986
at 10.30 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 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 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 Michael Jopling MP
Minister of Agriculture, Fisheries and Food

The Rt Hon Nicholas Ridley MP
Secretary of State for the Environment

The Rt Hon Lord Young of Graffham
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 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 Rt Hon John Moore MP
Secretary of State for Transport

ALSO PRESENT

The Rt Hon John Wakeham MP
Parliamentary Secretary, Treasury

SECRET

SECRETARIAT

Sir Robert Armstrong	
Mr D F Williamson	(Items 3-6)
Mr C L G Mallaby	(Items 3-6)
Mr J B Unwin	(Item 7)
Mr A J Wiggins	(Item 7)
Mr A J Langdon	(Items 1 and 2)
Mr M J Eland	(Items 1 and 2)

C O N T E N T S

Item	Subject	Page
1.	ROYAL WEDDING	1
2.	PARLIAMENTARY AFFAIRS	1
	Progress of Legislation	1
	Parliamentary Allowances	2
3.	FOREIGN AFFAIRS	
	Turks and Caicos Islands	3
	Visit of Soviet Foreign Minister	3
	South Africa	4
	Nigeria	5
4.	COMMUNITY AFFAIRS	
	Agriculture: New Zealand Butter	5
5.	NORTHERN IRELAND AFFAIRS	6
6.	ECONOMIC AFFAIRS	
	Unemployment	6
7.	ECONOMIC PROSPECTS AND PUBLIC EXPENDITURE 1987-88 TO 1989-90	7

CONFIDENTIAL
ROYAL WEDDING
PARLIAMENTARY AFFAIRS

1. THE PRIME MINISTER said that she had received a letter from His Royal Highness Prince Andrew and Miss Sarah Ferguson expressing their warm gratitude for the present which members of the Cabinet had sent to them on the occasion of their wedding.

The Cabinet -

Took note.

2. The Cabinet were informed of the business to be taken in the House of Commons in the following week.

Progress of Legislation

THE PRIME MINISTER said that the Cabinet would wish to congratulate the Lord President of the Council on the successful completion of the Report Stage of the Social Security Bill without further opposition amendments being carried.

Previous Reference:

CC(86) 27.1

THE SECRETARY OF STATE FOR SOCIAL SERVICES said that he would like personally to endorse the Prime Minister's remarks. He was in close touch with the business managers in both Houses and the Chief Secretary, Treasury on the handling of the three amendments carried against the Government in the Committee Stage of the Bill in the House of Lords. They would certainly seek to reverse the main amendment but some concession would be needed on the less important issues and he was in discussion with colleagues about the details.

THE SECRETARY OF STATE FOR EDUCATION AND SCIENCE said that the remaining stages of the Education Bill would be taken in the House of Commons in the following week. Media attention was likely to concentrate on the issue of corporal punishment in schools. The House of Lords had introduced an amendment to the Bill abolishing corporal punishment in maintained schools. The House of Commons would now have an opportunity to consider the matter. A free vote would be allowed. He himself would be voting for the retention of corporal punishment. He understood that if the result was to overturn the Lords' amendment, the fact that the reversal had been on a free vote would help in securing the Lords' acquiescence to the Commons' wishes. The very strong abolitionist lobby in the House of Lords, however, meant that the outcome could not be taken for granted.

As far as the other contentious issue of free speech in universities was concerned, he believed that he now had a Government amendment in a form that would prove acceptable to both Houses.

The Cabinet -

1. Took note.

CONFIDENTIAL

Parliamentary Allowances

Previous Reference:

CC(86) 27.1

THE LORD PRIVY SEAL said that on the previous evening the House of Commons had considered a resolution to substitute an increase of 6 per cent for the increase of 18 per cent in the Office Secretarial and Research Allowance for Members of Parliament, which would have followed the restructuring of the Civil Service salary scale to which the Allowance was linked. The official Opposition had tabled an amendment to overturn the basis on which part of the Allowance was calculated so that instead of being based on the assumption that one full-time and one part-time assistant would be employed, it would be calculated on an assumption of two full-time assistants. This amendment had been carried on a free vote. It would have the effect of increasing the allowance by some 52 per cent. He thought such an increase quite unjustified and liable to attract public criticism. He did not, however, consider that the Government should attempt to reverse the vote. Instead, he proposed that when the Top Salaries Review Body (TSRB) considered the Allowance in their quadriennial review at the end of that year, he should point out that the amendment had disrupted all the previously accepted understandings about the basis of the Allowance and suggest that the TSRB should consider whether there was any justification for it. He also proposed that the TSRB should consider whether arrangements should be introduced to ensure that the Allowance was put to the specific purposes for which it was intended. The present system of self-policing defied good management practice and would not be tolerated in any well-run organisation or company.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed with the Lord Privy Seal's proposal to draw the fundamental nature of the change to the attention of the TSRB in their quadriennial review and to invite them to take a view on the matter. They also agreed that the TSRB should be invited to consider whether payment of the allowance should be made subject to a proper control and verification system. In the meantime, Ministers should emphasise in answers to questions on the subject that the increase had been the result of a free vote that went against the Government's wishes in the matter.

The Cabinet -

2. Took note, with approval, of the Prime Minister's summing up of their discussion, and invited the Lord Privy Seal to proceed accordingly.

FOREIGN
AFFAIRS

Turks and
Caicos Islands

Previous
Reference:
CC(85) 11.2

3. THE FOREIGN AND COMMONWEALTH SECRETARY reported on the situation in the Turks and Caicos Islands following the report on the subject by Mr L J Blom-Cooper QC.

Visit of
Soviet
Foreign
Minister

THE FOREIGN AND COMMONWEALTH SECRETARY said that the visit to the United Kingdom of the Foreign Minister of the Soviet Union, Mr Eduard Shevardnadze, which had ended on the previous day, had been the first full-scale visit by a Soviet Foreign Minister for ten years. It had been an interesting demonstration of the changed style of Soviet diplomacy since Mr Mikhail Gorbachev had become General Secretary of the Communist Party of the Soviet Union. Mr Shevardnadze was friendly, forthcoming and professional but he had concentrated in the traditional Soviet way on selected objectives closely related to Soviet interests. It was a fair assumption, for the moment at least, that the Soviet Union was in earnest in seeking headway in the field of arms control, on the right terms. The role of the West should be to seek to bargain with equal clarity and firmness for terms which would suit its interests. Mr Shevardnadze had, for instance, shown clear interest in some new British ideas regarding on-site inspection to verify a treaty banning chemical weapons. Mr Shevardnadze had evidently wished his British interlocutors to pass on to the United States the message that the Soviet Union wanted another Soviet/United States summit provided that it could produce concrete achievements. There had also been useful discussions during the visit of British/Soviet bilateral matters. Three agreements had been signed - on incidents at sea, on long-term economic and industrial co-operation and on claims dating back to the Soviet revolution in 1917. An agreement on notification of visits by Soviet merchant ships to British ports had been initialled. Mr Shevardnadze had conveyed an invitation from Mr Gorbachev to the Prime Minister to visit the Soviet Union at an appropriate time.

In discussion, it was agreed that the style adopted by Soviet diplomacy made discussion with Soviet representatives more agreeable, but its benefits to the Soviet Union should not be underestimated: it was part of Soviet attempts to present a reasonable face to Western public opinion while the substance of Soviet policies remained essentially the same.

South Africa

Previous

Reference:

CC(86) 27

THE FOREIGN AND COMMONWEALTH SECRETARY said that, during his recent visit to Southern Africa on behalf of the Twelve members of the European Community, he had held meetings with the President of Mozambique, Mr Samora Machel, the President of Zambia, Dr Kenneth Kaunda, and the Prime Minister of Zimbabwe, Mr Robert Mugabe. Since his return to London, he had held a meeting with the President of Botswana, Dr Quett Masire. President Machel took a relatively realistic view of the question of South Africa and would not press for comprehensive economic sanctions. President Kaunda favoured comprehensive sanctions but had probably been convinced during the Foreign and Commonwealth Secretary's visit of the sincerity of his mission and the breadth of its base as a European initiative. Mr Mugabe, influenced by the history of Zimbabwe, persisted in saying that an armed struggle must be waged in South Africa, along with other measures to promote the end of apartheid. He had been less convinced of the sincerity of the European mission.

He would leave that day for the United States, to consult the Administration about policy on South Africa among other things. There was a prospect of a speech on South Africa by the United States President, Mr Ronald Reagan, or another senior representative of the Administration, on 22 July. At present, it seemed unlikely that this would signal any change of policy. But he would make clear to the United States Secretary of State, Mr George Shultz, the Government's hope that the United States Administration would make no major move on this subject while the European mission continued.

He would be visiting Southern Africa again between 23 and 29 July. There would be two meetings with the President of the Republic of South Africa, Mr P W Botha. The trip might include visits to one or two of South Africa's neighbours which had not been covered in the recent visit to the area. The indications were that the South African Government would be extremely resistant to making moves towards the dismantling of apartheid or the establishment of a national dialogue within the period set for the European mission. Indeed, there were some indications that the South African Government might be considering further military raids on neighbouring countries. While in South Africa, he would press, despite the difficulties, for moves towards dialogue, the release of political leaders and the unbanning of political parties. There was considerable scepticism about the prospects for his mission, and Commonwealth countries were arguing that the Eminent Persons Group had done everything that was possible by this kind of method to stimulate political progress in South Africa. Nevertheless there was no doubt that it was right to try through the European mission to secure some advances. In so doing, he would make plain the Government's position of outright opposition to apartheid, of recognising that some changes had taken place in South Africa, of already applying certain measures against South Africa and of being prepared, without prior commitment, to consider some further measures, taking into account the Commonwealth Accord of October 1985 and the statement by the European Council of June 1986, if the outcome of the European mission required this.

In discussion, it was noted that eight countries had so far withdrawn from the Commonwealth Games shortly to begin in Edinburgh. There was a

risk that more countries would withdraw, if the Front Line States decided on withdrawal at their meeting the following day. But there was also a hope that the determined efforts of the Government to work for progress in South Africa would influence other Commonwealth countries against withdrawal. The organisers of the Commonwealth Games had raised some £9 million towards the cost and needed £4 million more. Following the withdrawals from the Games, further sponsors were not coming forward. Efforts to raise more money were continuing. Any decision not to go ahead with the Games would fall to the Commonwealth Games Federation, rather than to the British organisers.

THE PRIME MINISTER, summing up the discussion, said that policy on South Africa would need to be discussed again in Cabinet on 31 July, after the return of the Foreign and Commonwealth Secretary from Southern Africa and before the meeting of seven Heads of Government from the Commonwealth in London from 3-5 August.

Nigeria

THE HOME SECRETARY said that there had recently been a marked increase in the inflow of visitors to this country from Nigeria, to an extent which was putting some strain on the immigration service at ports of entry from Nigeria. This appeared to be linked to rumors circulating in Nigeria to the effect that air fares from Nigeria to the United Kingdom were about to be significantly increased. He would be continuing to monitor developments, in consultation with the Foreign and Commonwealth Secretary.

The Cabinet -

Took note.

COMMUNITY
AFFAIRS

Agriculture:
New Zealand
Butter

Previous
Reference:
CC(86) 27.3

4. THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that at the Council of Ministers (Agriculture) under his chairmanship on 14-15 July a preliminary discussion of the reform of the beef regime and of agricultural structure measures had shown that there would be considerable difficulties ahead. Although decisions had been reached on a number of other measures, he had not been able to reach complete agreement on the import of New Zealand butter. Eleven member states had accepted the proposed figures of 77,000 and 75,000 tonnes for 1987 and 1988 but the Republic of Ireland had not agreed to these figures. The issue would be on the agenda of the Council of Ministers (Foreign Affairs) the following week. The French remained confident that the Irish objection would not be sustained, but it was not yet clear whether this would be the case.

The Cabinet -

Took note.

NORTHERN
IRELAND
AFFAIRS

Previous
Reference:
CC(86) 27.4

5. THE SECRETARY OF STATE FOR NORTHERN IRELAND said that extremists in the Protestant community in Northern Ireland had hoped that marches taking place the previous weekend would be accompanied by major disorder, which would demonstrate that the majority community had withdrawn its consent from the process of government. But, because of a massive deployment of the security forces and a carefully judged decision by the Chief Constable of the Royal Ulster Constabulary (RUC) about Protestant marches in the town of Portadown, the marches on 12 July had passed mainly without difficulty and the incidents that had followed during the weekend had not been nearly as serious as expected. There had been no fatalities. The Minister of Foreign Affairs of the Republic of Ireland, Mr Peter Barry, had made a statement criticising the decision of the Chief Constable to allow a Protestant march to pass near a Catholic area of Portadown. This was wrong in substance and ill-judged politically. Colleagues needing to comment on Mr Barry's remarks should avoid polemics but state firmly that the Government had complete confidence in the RUC and should praise the courage and dedication of its members.

The Cabinet

Took note.

ECONOMIC
AFFAIRS

Unemployment

Previous
Reference:
CC(86) 23.4

6. THE SECRETARY OF STATE FOR EMPLOYMENT said that the monthly unemployment figures to be issued that day would show a reduction in the "headline" figure of about 42,000 compared with the previous month, but on a seasonally adjusted basis an increase of about 15,000. For the first time the figures would include the self-employed and the armed forces. As a result of this, the percentage of those out of work would be corrected to 11.7 per cent. The decision to include the self-employed within the figures brought the United Kingdom into line with the practice in the United States, Japan, France and the Federal Republic of Germany. The statistics of the Organisation for Economic Co-operation and Development were expected to be put on this basis shortly.

The Cabinet -

Took note.

ECONOMIC
PROSPECTS
AND PUBLIC
EXPENDITURE
1987-88 TO
1989-90

7. The Cabinet considered a memorandum by the Chancellor of the Exchequer (C(86) 17) on Economic Prospects and a memorandum by the Chief Secretary, Treasury (C(86) 18) on the 1986 Public Expenditure Survey.

THE CHANCELLOR OF THE EXCHEQUER said that the short-term prospect for the economy now differed from that foreseen at the time of the Budget. Inflation had turned out substantially better, with the year on year increase in the Retail Price Index now down to 2.5 per cent, and likely to stay below 3 per cent for a considerable period. There had been a step change to a lower rate of inflation, and this represented a major achievement. But output was weaker than had been expected, with the result that unemployment was continuing to rise. The Gross Domestic Product (GDP) was now expected to grow by 2.5 per cent or less in 1986, as against the earlier expectation of 3 per cent. Other major economies were also experiencing a weakening in the trend of output, and in Japan production had actually fallen in the first quarter of the current year for the first time in 11 years. It was still expected that there would be a pick-up in activity, and an acceleration in the growth of world trade, later that year, as consumers in industrial countries reacted to the increase in their real incomes resulting from the very sharp fall in oil prices. For the time being, however, the impact on the world economy of lower oil prices had been contractionary, in that the oil producing countries which had suffered major losses of income had been obliged immediately to reduce their expenditure, while countries which gained had yet to adjust their spending in an upward direction.

Apart from the impact of a rather stagnant world economy, there were a number of problems specific to this country. The continuing rapid growth in earnings, far out-stripping the rate of inflation, added to unemployment and carried the threat of upward pressure on prices. High pay settlements in the public sector presented a double problem, in making it more difficult to secure lower settlements in the private sector and at the same time adding to public expenditure. The sharp fall in oil prices inevitably reduced the value of United Kingdom exports, and at the same time reduced tax revenue. These developments had become a source of serious concern to the financial markets, as had been shown by their behaviour on 14 July. The United Kingdom economy had in fact been remarkably successful in absorbing the severe shocks, first of the 12 month miners' strike and then of oil prices falling by more than 60 per cent, and this was evidence of the Government's success in maintaining market confidence in its prudent economic management. That confidence could only be maintained if the Government were seen to be keeping public expenditure under tight control. Only if this could be done could the economy retain its ability to withstand destabilising shocks. It was essential that the Cabinet should give a clear signal to financial markets and pay bargainers through the maintenance of tight restraint over public expenditure.

THE CHIEF SECRETARY, TREASURY said that despite the Government's Manifesto commitment to lower public expenditure and lower taxation, public expenditure had continued to increase in real terms until 1985-86. That year, for the first time, a small reduction was in prospect. For the future, the intention of his proposals for the 1986

Survey was to hold public expenditure flat in real terms, which would mean that it absorbed a declining proportion of a rising GDP. The objective should be to reduce the proportion of GDP taken by taxation to its 1979 level. Against this background the size of the additional bids submitted by spending Ministers in the context of the 1986 Public Expenditure Survey was very disappointing; and there was in most cases little evidence of a search for offsetting savings through changes in priorities. Moreover the cases made for the additional bids frequently failed to make clear what the additional spending was intended to achieve. It would be impossible to absorb the totality of the additional bids; so far as individual programmes were concerned, it was essential that clear objectives were set, and yardsticks specified by which progress towards these objectives could be measured.

Particular attention had to be focussed on three specific areas -

- i. Local authority expenditure: the last White Paper had shown for 1987-88 and 1988-89 the same cash figures as for 1986-87, because of the difficulty of finding a satisfactory basis for distribution of the total among the different services. The size of the Reserves had been increased to allow for additional expenditure in this area. The agreement now emerging from the Ministerial Steering Committee on Economic Strategy, Sub-Committee on Local Authority Expenditure (E(LA)) would mean showing markedly higher local authority current expenditure in 1987-88; in presenting this change it would be essential to emphasise the impact of the new restraints the Government would be placing on this expenditure, so as to avoid the impression that the Government was simply underwriting overspending. At the same time local authorities were overspending very substantially on capital account, and action would be needed to close this loophole. Unless satisfactory arrangements could be made, there would need to be still greater restraint on other programmes.
- ii. Departmental running costs and manpower: Departments' bids would mean an increase of 6.5 per cent in total running costs and an excess of 14,000 over the manpower target for 1 April 1988. It was essential to reduce this substantial real increase in total running costs, and to prune Departments' manpower requirements.
- iii. The nationalised industries: the opening bids made the previous April for external financing were £850 million above baseline for 1987-88, and here the objective should be to get back at least to baseline, and if possible below it.

THE LORD PRESIDENT OF THE COUNCIL summarised the position reached on local authority expenditure, about which he had minuted the Prime Minister on 16 July. E(LA) had agreed that the following year's Rate Support Grant settlement should provide for total expenditure of £25.2 billion, of which 46.4 per cent would be met by Aggregate Exchequer Grant (AEG). Although this appeared to be a large increase above previous plans, E(LA) had considered it essential to make a realistic settlement, taking account of local authorities' powers to levy higher

rates if they considered the provision by the Government to be inadequate. Although a settlement on this basis had important disadvantages, it had to be seen against the background in which AEG had been reduced from over 60 per cent in 1979 to 46.4 per cent in 1986-87. No allowance had been made in this settlement for any additional expenditure on teachers' pay. Two new disciplines were proposed to restrain local authority expenditure: first, grant recycling would be abolished, so that authorities would know from the outset the financial discipline they would face; and second, an 'unallocated margin' would be left between the total of Grant Related Expenditures and provision, which would tend to penalise higher spending authorities. A further problem arose on capital expenditure, where an overspend of £700 million was in prospect in England for the current year. Since the 1987-88 baseline had been set £600 million lower than for the current year, there was an enormous gap between current actual spending and the following year's programme. Numerous devices were open to local authorities to evade the effect of current capital spending controls, and it would not be possible to hold the following year's expenditure to baseline consistently with assurances previously given about access to receipts from asset sales and about future levels of allocations. As things stood, such restraints as were open to the Government would tend to fall most heavily on those authorities in depressed areas whose needs for expenditure were large but whose accumulated receipts from asset sales were small. In order to overcome this difficulty, new powers, on which E(LA) were currently working, would be needed to control local authority capital spending, and it would be difficult to avoid some increase above baseline if authorities in the more prosperous parts of the country were not to feel unduly harshly treated. Urgent new primary legislation would be needed in respect both of the abolition of grant recycling and of the new controls over local authority capital expenditure; both aspects would be extremely contentious and it would be most important to be sure that the legislation was right before bringing it forward.

In discussion the following main points were made -

- a. There was still insufficient public understanding of some of the causes of the relatively poor performance of the United Kingdom economy. Although great improvement had been achieved in inflation, prices and unit labour costs were still rising faster in Britain than in other major industrial countries, real interest rates were higher, and unemployment was substantially higher. Against this background there could be no question of taking risks on public expenditure, and every effort had to be made to secure public recognition of the need to cut back the growth of earnings and unit labour costs.
- b. With high pay increases boosting real incomes as well as increasing public expenditure directly and indirectly, it would be unwise to foster public expectation of still further increases in real incomes through tax cuts.

c. There should be substantial scope for improving the quality of public expenditure programmes through value for money improvements and through reordering priorities, but without increases in the totals. Changes in public expenditure and taxation should also be targetted as precisely as possible, so as to minimise the overall costs. Small expenditures (eg on the General Certificate of Secondary Education) precisely targetted could have a disproportionately beneficial impact. Any scope for tax reductions should be concentrated on the lower paid.

d. There was general support for firm discipline over departmental running costs, but it was suggested that there could be situations where the needs of the economy could best be served by accepting some limited increases in manpower and gross running costs, for example in the areas of tax collection or the provision of services whose costs were met by charges.

e. Although the financial markets would require reassurance of the Government's determination to continue prudent fiscal and monetary policies, they would also be concerned if the rigour with which those policies were pursued made it unlikely that they would be continued beyond the next General Election.

f. Local authority expenditure was in practice outside the control of central Government. Other countries did not include such expenditure in the control totals for Government expenditure, and it would be for consideration in the longer term how such expenditure should be treated in the Public Expenditure Survey.

g. There could be no question of any change at this time in the published public expenditure planning totals. But the difficulty of holding to those totals should not be under-estimated, given that more than half of the Reserve for 1987-88 would be absorbed by the increase in local authority current expenditure agreed by E(LA).

THE PRIME MINISTER, summing up the discussion, said that it was of fundamental importance that the Government should stick firmly to their established policies of strict control of public expenditure and public borrowing. Any weakening of the Government's resolve would put at risk all their achievements in securing lower inflation and greater efficiency and competitiveness. Accordingly the Cabinet fully supported the Chief Secretary, Treasury's proposals in C(86) 18. He should now conduct bilateral discussions with spending Ministers in the usual way about their public expenditure programmes and their targets for running costs and manpower, working within the existing published planning totals of £144 billion for 1987-88 and £149 billion for 1988-89, and within a total of £153 billion for 1989-90. The aim for the nationalised industries should be to hold the provision at least to baseline and where possible below that. Departmental Ministers should pay much greater attention to specifying the objectives to be achieved by their programmes, particularly where there was any question of additional bids above baseline. She hoped that the Chief Secretary,

Treasury would be able to reach agreement with all his colleagues on the basis proposed; if that proved impossible, she would at the appropriate time establish a small Group under the chairmanship of the Lord President of the Council, which would consider outstanding issues and make recommendations to the Cabinet. If it proved necessary to establish such a Group, she would inform the Cabinet of its membership. Meanwhile it was essential that the Government as a whole should be seen to be fully committed to the approach agreed by the Cabinet. In reply to questions, she would explain that the Cabinet had discussed public expenditure and agreed that the Chief Secretary, Treasury should hold bilateral discussions with colleagues working within the existing published planning totals for 1987-88 and 1988-89 and within a new planning total of £153 billion set for 1989-90. Other members of the Cabinet should adhere strictly to this line in any outside contacts. It was more important than ever that the bilateral discussions with the Treasury should be carried on in confidence, and that there should be nothing on which the media could base speculative stories of interministerial disagreements.

The Cabinet -

1. Took note, with approval, of the Prime Minister's summing up of their discussion.
2. Approved the proposals in C(86) 18.
3. Noted that the Prime Minister would, if necessary, establish a small Group under the chairmanship of the Lord President of the Council to consider outstanding issues in the autumn and make recommendations to the Cabinet.

Cabinet Office

17 July 1986

Index.....

SUBJECT

MOST CONFIDENTIAL RECORD

No.	Contents	Date
	<p>CC(86) 28th Conclusions Thursday 17 July 1986 IMMIGRATION CONTROLS AT LONDON AIRPORT</p> <p>CAB 128 / 84</p>	

MOST CONFIDENTIAL RECORD
TO
CC(86) 28th Conclusions

Thursday 17 July 1986

IMMIGRATION
CONTROLS AT
LONDON
AIRPORT

THE HOME SECRETARY said that, as he had previously warned colleagues, the pressures on the immigration services at London Airport had become very great. He was considering whether to introduce a visa requirement for nationals of five Commonwealth countries, including Nigeria and Ghana, but had decided after consultation with the Foreign and Commonwealth Secretary to postpone further consideration of such a step until after the forthcoming meeting of seven Commonwealth Prime Ministers. The problem was, however, especially acute in relation to Nigeria. The arrival of unusually large numbers of people from Nigeria, many of them on extra unscheduled flights, had produced a further sharp increase on the strains faced by the immigration services at London Airport. The facilities were over-crowded; conditions of squalor now obtained. The staff were understandably dissatisfied. It appeared that the main reason for the sudden influx of Nigerians was rumours in Nigeria of an impending increase in air fares to the United Kingdom. He believed that, if Nigeria could not be persuaded to halt the extra flights to the United Kingdom, he would have as a matter of urgency to introduce visas for Nigerians wishing to visit this country. The reasons, relating to the over-strain of the immigration services, would be convincing; a decision on visas should thus be seen by the public as unrelated to the problems of South Africa. He would consult the Foreign and Commonwealth Secretary, the Secretary of State for Trade and Industry and other Ministers closely interested about the question of a visa regime for Nigeria.

In discussion, the view was expressed that the difficulties for the immigration services at London Airport should take priority over other considerations in this matter. At the same time, it was noted that the introduction of a visa regime for Nigeria would cost £7 million net per annum and that there would be significant initial costs as well. The public reaction in this country to the introduction of visas for Nigerians would probably be positive.

The Cabinet -

1. Invited the Home Secretary, in consultation with the Foreign and Commonwealth Secretary and other interested Ministers, to consider further as a matter of urgency the question of introducing visas for Nigerians.
2. Noted that it might in any case be necessary during the Recess to introduce visas for visitors from Nigeria and four other Commonwealth countries.

Cabinet Office

18 July 1986

Index.....

SUBJECT

MOST CONFIDENTIAL RECORD

No.	Contents	Date
	<p>CC(86). 28th Conclusions Thursday 17 July 1986 TURKS AND CAICOS ISLANDS</p> <p>CAB 128/84</p>	

MOST CONFIDENTIAL RECORD
TO
CC(86) 28th Conclusions

TURKS AND
CAICOS
ISLANDS

Previous
Reference:
CC(85) 11.2

THE FOREIGN AND COMMONWEALTH SECRETARY said that, following an inquiry by Mr L J Blom-Cooper QC into allegations of corruption in the administration of the Turks and Caicos Islands, it would shortly be necessary to take action to secure the removal from office of the Prime Minister and two other Ministers in that administration. The Cabinet would recall that the previous Prime Minister was serving a five year prison sentence in Florida for drug trafficking offences. Following the removal of the Prime Minister, the Governor would govern the Colony, on the basis of the advice of an advisory council. A statement would be made in due course; until then the matter should remain strictly confidential.

The Foreign and Commonwealth Secretary added that he had embarked upon a study of how best to secure and train the right people for discharging the duties of Colonial Governors, now that there was no Colonial Service.

The Cabinet -

Took note.

Cabinet Office

18 July 1986