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Conclusions

CABINET

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

THURSDAY 13 NOVEMBER 1986

at 10.45 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 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 Trade and Industry

ALSO PRESENT

The Rt Hon John Wakeham MP
Parliamentary Secretary, Treasury

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SECRETARIAT

Mr D F Williamson
Mr C L G Mallaby (Items 3 and 4)
Mr J B Unwin (Items 1 and 2)
Mr A J Langdon (Items 1 and 2)
Mr M J Eland (Items 1 and 2)

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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.

Acquired
Immune
Deficiency
Syndrome

Previous
Reference:
CC(86) 36.2

THE LORD PRESIDENT OF THE COUNCIL said that the Sub-Committee of the Home and Social Affairs Committee (H(A)) which was dealing with the issue of Acquired Immune Deficiency Syndrome (AIDS) had met on 11 November and had agreed that the Government's health and education programme on AIDS should be immediately stepped up. The Secretary of State for Social Services had announced this after the meeting. A new round of newspaper advertisements would start in the following week, with a poster campaign beginning at the end of the month and a campaign aimed at young people carrying on through December. There would be material on television and a leaflet would be delivered to all households as soon as the Post Office could manage it. There might be some complaints that this material was shocking, but there was no way of avoiding this if the Government was to make a meaningful effort to save lives by making the facts known to those at risk. The Sub-Committee would have two meetings in the following week, at which it would begin to consider more difficult issues, of which there were many. In particular, much of the public pressure that appeared to be building up for screening paid scant regard to reality. But public attitudes were highly volatile on such emotive subjects and the management of the AIDS issue would continue to require very careful handling for some time to come. The responsible handling of the matter was not, however, helped by the partisan behaviour of Opposition spokesmen who had vied with each other in naming extravagant sums of money that should be diverted to the fight against AIDS.

THE SECRETARY OF STATE FOR SOCIAL SERVICES said that he had obtained the agreement of the Chairman of the Post Office for the distribution of the leaflet to all households to take place in the first week of January 1987, which was considerably earlier than the Post Office had hitherto accepted. In accordance with the Sub-Committee's decisions, he was about to have discussions with the Chairman of the British Broadcasting Corporation and the Independent Broadcasting Authority about the possibility of their mounting broadcasts on a public service basis. In the meantime it was important that there should be no speculation about this in the press, but he was optimistic that the broadcasting authorities would wish to be co-operative in this matter. He intended also to speak to the Labour Party spokesman and to offer him the chance to talk with his Department's medical advisers. He would then have a better idea whether it would be possible to establish any common ground.

THE PRIME MINISTER, summing up a short discussion, said that the issues that would need to be considered, following the initial decisions on publicity, would require the most careful judgment. It was already clear that the issue of screening involved the consideration of extremely difficult issues. The Opposition parties could, of course, associate themselves with the Government's approach to the problems

posed by AIDS and thus create an atmosphere of bi-partisan co-operation. It would not be right, however, to let the Opposition parties put pressure on the Government by making their co-operation contingent on demands that the Government were unwilling to accept.

Abolition of Domestic Rates (Scotland) Bill

THE SECRETARY OF STATE FOR SCOTLAND said that the Bill to abolish domestic rates in Scotland would be introduced in the House of Commons at the end of the month. Its preparation was ahead of schedule and he was optimistic that it would both complete its Second Reading and start its Committee stage in the House of Commons before the Christmas Recess.

THE PRIME MINISTER said that the speedy enactment of this measure was of the greatest importance, and thought should be given to improving its Parliamentary timetable yet further.

The Peacock Report

THE HOME SECRETARY said that the debate to be held the following Thursday on the Report of the Committee on Financing the British Broadcasting Corporation (the Peacock Report) would be important in revealing attitudes to the matter in Parliament, though he did not at this stage intend to reveal the policy that was currently being formulated. The Opposition were expected to divide the House in this debate, on the motion for adjournment.

The Cabinet -

Took note.

HOME AFFAIRS

Teachers' Pay, Duties and Conditions of Service

Previous Reference: CC(86) 36.2

2. THE SECRETARY OF STATE FOR EDUCATION AND SCIENCE said that talks were still continuing between the unions and employers on the fresh package which was emerging from the negotiations earlier in the week. On pay structure the package appeared to be modelled on that produced at Coventry. This was unsatisfactory on differentials and unacceptable. It was claimed that the 13 conditions in the package met all the 19 conditions the Government had set out in their offer. On pay levels, it was also costed to fall within, or very close to, the amounts proposed by the Government. However, the package also included additional add-on costs, which would cost well over £200 million in a full year. As such, it would simply not be acceptable to the Government. Union attitudes to the offer were divided. The two largest unions - the National Union of Teachers and the Assistant Masters and Mistresses Association had accepted the proposals but the other unions still had not. The Professional Association of Teachers, the National Association of Head Teachers and the Secondary Heads Association were concerned about various aspects of the package, particularly those dealing with pay

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structure. The National Association of Schoolmasters/Union of Women Teachers who were endeavouring to recruit more members from other unions had also rejected the offer on the grounds that the pay rates were insufficient. It was possible, though unlikely, that the differences between the unions might still be overcome and that an announcement of the package would be made in advance of the debate on education that afternoon. If this occurred then he would not be drawn into commenting in detail on the package. He would instead maintain the line that he wished to examine it carefully to see whether it met all the conditions that had been attached to the Government's offer, the main features of which he would reassert. In the remainder of his speech, he would concentrate on the Government's other initiatives in the education field and explain the reasons why it was necessary to repeal the Remuneration of Teachers Act. If events developed as expected it appeared likely that the Government would have to act to impose its offer in the forthcoming Bill on teachers' pay. Instructions on this Bill had now been sent to Parliamentary Counsel. It would contain provisions to abolish the Burnham Committee, set up an interim advisory committee on pay and conditions and give him new regulation-making powers. He hoped this Bill would have a speedy passage through Parliament. He must warn colleagues that there would certainly be further disruption in schools but he could not predict what form this would take. It would be important to prevent this action being turned into a protest over union bargaining rights, which might invoke sympathy in the wider trades union movement where at present there was little sympathy for further action on teachers' pay.

THE SECRETARY OF STATE FOR SCOTLAND said that both press and public reaction to the Government's offer had been extremely good. The ballot of teachers would take place shortly and the result should be available by about 25 November. It was expected that this would result in a rejection of the offer but this was by no means a foregone conclusion. Even if the vote was for rejection there was some doubt as to whether the unions could sustain further action given the public reaction and growing disenchantment amongst teachers with such a course.

THE PRIME MINISTER, summing up a short discussion, said that it was most important to avoid creating the impression that the Government were prepared to negotiate over the terms of any package now proposed or to make additional funds available. The package announced by the Government had not been for negotiation. It should therefore be made clear that any consideration of a package was to see how far it met the conditions set out in the Government's offer. It was also important that the Government maintained the initiative. The unions were unlikely to get much support from parents if the dispute was prolonged and it should be possible to build up public support for the Government's position. To this end it was vital that the very generous terms the Government had offered should continue to be made widely known and that emphasis should be given to the fact that the costs of the settlement would have to be borne by the taxpayer and ratepayer.

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The Cabinet -

1. Took note, with approval, of the Prime Minister's summing up of their discussion and invited the Secretary of State for Education and Science to be guided accordingly.

Anniversary of the Anglo-Irish Agreement

THE SECRETARY OF STATE FOR NORTHERN IRELAND said that as foreshadowed in his report to the Cabinet the previous week, a new Protestant organisation had now been formed known as Ulster Resistance. The organisation of this group was still surrounded with some secrecy but it was clear that the Ulster Clubs were involved and that it had some links with Protestant paramilitary groups. The official Unionists were maintaining their distance. The first of the protest rallies planned to mark the anniversary of the Anglo-Irish Agreement had passed off peaceably. Rallies would continue throughout the week culminating in a major demonstration in Belfast at the weekend which could lead to some violent incidents. It was also likely that there would be some disruption in the electricity supply of the Province over the weekend as a result of action in the guise of an industrial dispute at the Ballylumford power station. This was not expected to last beyond the weekend and contingency plans had been drawn up. Finally a protest was planned in his own constituency at the weekend by certain unionist elements and the National Front.

Contacts with Sikh Nationalists

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Indian Government were understandably and highly sensitive to any question involving Sikh nationalism. It had been possible to recognise their anxieties about extradition by offering them a satisfactory treaty, but it remained vital that they should not be given any cause for thinking that the United Kingdom did not take their concerns seriously. It was important that members of the Government should do all they reasonably could to avoid contacts with Sikh nationalists which might be misrepresented by the latter as expressions of Government support for the cause of an independent Khalistan.

Unemployment Figures

Previous Reference: CC(86) 31.4

THE PAYMASTER GENERAL said that the unemployment figures for October that would be announced that day were extremely good. The unadjusted total showed a fall of 95,743 and the seasonally adjusted figure a fall of 25,000. This was the third successive month in which the total had fallen and the fall over three months was the biggest since 1973. An attempt would be made by the Opposition to denigrate the figures and to maintain that they were the result of changes in the method of counting rather than any real change. These attacks needed to be vigorously rebutted. A particular effective means of doing so was to refer to the

figures on vacancies where there had been no change in the method of counting for some years but which now stood at their highest level since 1979. The Scottish figures showed a small rise in unemployment due to a decline in activities in the North Sea Oil industry.

The Cabinet -

2. Took note.

3. THE FOREIGN AND COMMONWEALTH SECRETARY said that there had been meetings between the Soviet Foreign Minister, Mr Eduard Shevardnadze, and the United States Secretary of State, Mr George Shultz, in Vienna on 5 and 6 November, on which Mr Shultz had subsequently reported to the North Atlantic Council. He himself had had a discussion on 12 November with Mr Paul Nitze, a senior adviser on arms control to the United States Administration. The Soviet Union was laying maximum stress in propaganda on the claim that massive progress in nuclear arms control was within reach but was being blocked by rigidity on the part of the United States in refusing curbs on the Strategic Defence Initiative. The Soviet Union was also stressing again that the United Kingdom and France should join the process of nuclear arms control. Yet, when the Soviet Union on 7 November had tabled amended proposals in the negotiations with the United States in Geneva, it had become clear that many of the major difficulties presented by the Soviet position, for instance concerning verification and limits on shorter range nuclear weapons, were still present. Early progress was unlikely. The Soviet Union would no doubt seek to exploit the situation to undermine public support in Western Europe for nuclear deterrence and to maintain the separation of nuclear arms control from arms control in the field of conventional weapons. The Prime Minister's Guildhall speech on 10 November had set out clearly the Government's position about the importance of nuclear deterrence. There were signs that people in the United States were beginning to appreciate the real difficulties in a sweeping approach to nuclear arms control. The Prime Minister planned during her visit to the United States the following weekend to explain the Government's views to the United States President.

FOREIGN
AFFAIRS

Arms
Control

Previous
Reference:
CC(86) 36.3

Conference on
Security and
Co-operation
in Europe

THE FOREIGN AND COMMONWEALTH SECRETARY said that the review meeting of the Conference on Security and Co-operation in Europe (CSCE) in Vienna was settling down for a long period of discussion. The West would put the Soviet Union under pressure for its failure to comply with the Helsinki Final Act. A Soviet proposal for a meeting to discuss humanitarian issues in Moscow was being treated cautiously by the West. If such a meeting took place, it would be essential for interested groups and individuals to have proper access to it and for there to be full scope for press reporting. This proposal was an illustration of the growing sophistication of Soviet tactics in foreign policy.

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Syria

Previous

Reference:

CC(86) 36.3

THE FOREIGN AND COMMONWEALTH SECRETARY said that discussion of Syrian support for terrorism at the meeting of Foreign Ministers of the European Community countries on 10 November had gone well. All twelve countries had agreed to implement the package of measures against Syria which the United Kingdom had proposed. Greece, with notable inconsistency, had not been willing to subscribe to the text or to criticise Syrian involvement in terrorism. The public impact of the meeting had been somewhat reduced by reports that the United States was negotiating with Iran about the release of American hostages in the Middle East and that France was negotiating for similar purposes with Syria and other Middle Eastern countries. The Governments of the United States and France were denying that they had entered into specific bargains involving the release of hostages, but their activities tended to undermine the position of the West and of the United Kingdom that there should be no compromise with terrorists.

Israel

THE FOREIGN AND COMMONWEALTH SECRETARY said that there was considerable public interest in the case of Mr Mordecai Vanunu, an Israeli citizen who had been in the United Kingdom and had written a major press article about Israel's capability in the field of nuclear weapons. Mr Vanunu had disappeared in the United Kingdom and reappeared in police custody in Israel. The Government should not appear indifferent to the possibility that Mr Vanunu had been removed from the United Kingdom by the Israeli authorities. The Government had been pressing Israel to make the position clear. A statement by the Israeli Cabinet denying that Mr Vanunu had been kidnapped from British soil but giving no explanation of how he reached Israel had merely fuelled speculation. The Government had asked Mr Vanunu's lawyer in Israel to confirm that he had left the United Kingdom voluntarily but the lawyer had declined to answer without the permission of the Israeli Government. There was a possibility that the Israeli Government might be willing to provide clearer assurances on a confidential basis; the Government should look carefully at such a possibility. Any indications that packages large enough to contain a person had been despatched by the Israeli Embassy or Consulate should be thoroughly investigated, even if they seemed unlikely to be suspect.

In a brief discussion, it was noted that the police were looking into the question of freight despatched by the Israeli Embassy and Consulate and that there had been an Israeli connection with the abduction of the former Minister of Transport of Nigeria, Mr Umaru Dikko, from the United Kingdom in 1984.

The Cabinet -

Took note.

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COMMUNITY
AFFAIRS

Air Transport

4. THE SECRETARY OF STATE FOR TRANSPORT said that at the Transport Council on 10-11 November the discussion on greater liberalisation of air transport had led to substantial progress on capacity and market access. A decision had been blocked principally on the question of cheaper fares and the conditions attaching to them. Six member states, however, now favoured the liberal position on fares. Public perception of the issues was now clearer, and he would continue to seek progress on these lines.

The Cabinet -

Took note.

Cabinet Office

13 November 1986

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