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Conclusions

CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 22 JANUARY 1987
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 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 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

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Michael Havers QC MP
Attorney General (Items 3 and 4)

The Rt Hon Sir Patrick Mayhew QC MP
Solicitor General (Item 4)

The Rt Hon John Wakeham MP
Parliamentary Secretary, Treasury
(Item 1)

Mr John Major MP
Minister of State, Department of Health
and Social Security (Item 1)

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SECRETARIAT

Sir Robert Armstrong
Mr D F Williamson (Items 3 and 4)
Mr A J Langdon (Items 1 and 2)
Mr N H Nicholls (Items 3 and 4)
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.

Radon in
Houses

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that radon was a naturally occurring radioactive gas, especially prevalent in Devon and Cornwall. It had been known for some time that radon presented a health hazard in mines but it had only been recognised recently that it could build up in domestic dwellings and present a threat to health there. The bodies that advised the Government on these matters had now submitted reports advocating various measures and it had been agreed by the Home and Social Affairs Committee earlier that week that the Government response should be announced as soon as possible. It would require nice judgment to gauge the tone of the announcement in a way that did as little as possible to stimulate other issues bearing on radioactivity, showed the Government responding decisively to a radioactive health hazard, and yet stressed that deaths from cancer in the areas where radon was most prevalent were lower than the national average. He would therefore welcome the views of the Prime Minister and other colleagues on the statement, the text of which he would circulate shortly.

Sizewell
Inquiry

THE SECRETARY OF STATE FOR ENERGY said that he would be announcing later that day, in a Written Answer to a Parliamentary Question, that the report of the inquiry conducted by Sir Frank Layfield into the proposal for a pressurised water reactor at Sizewell would be published on the following Monday. His Answer would say that in view of the undertakings that had been given on the point, there would be a Parliamentary Debate of the report before Ministers took decisions on it. Until decisions were taken, members of the Government should not make public comments on the matters that were at issue. He would be writing to his colleagues to advise them of this. If colleagues were in any doubt whether topics on which they had it in mind to speak could be held to be relevant to the decisions arising on the Sizewell report, he would be grateful if they would consult his office.

The Cabinet -

1. Took Note.

Social
Security
Legislation

THE LORD PRESIDENT OF THE COUNCIL said that, owing to an omission in the drafting of an amendment during the passage of the Social Security Act, 1986, there was no power to make the new maternity and funeral payments from the social fund in the way that had been intended under that Act. If the Act were left unamended, both the financial and political cost of

the Government's failure to implement its declared policy would be high. The minute of 21 January by the Minister of State, Department of Health and Social Security (Minister for Social Security), which had been circulated to the Cabinet, gave more of the background and explained that the omission of three necessary words from the 1986 Act had come about in dealing with last-minute amendments during the Act's Parliamentary passage: the mistake had only been exposed very recently by questions from the Joint Committee on Statutory Instruments. He could see no alternative to the urgent amending Bill that the Minister of State sought and, having consulted the business managers, he believed that this could be enacted to enable the necessary regulations to be in force by the requested date of 6 April. The question of including a provision on the Bill's application to Northern Ireland was still under consideration but, on any footing, the Bill would be extremely short and straightforward.

The Cabinet -

2. Agreed that a Bill to amend the Social Security Act 1986 so as to enable the making of maternity and funeral payments from the social fund in the manner intended should be introduced in the House of Commons later that week.

The Preparation of Legislation

THE PRIME MINISTER, summing up a short discussion, said that the Cabinet had noted that a number of recent Bills had required very extensive Government amendments during the course of their passage. On some occasions these had been due to the suggestions of outside Counsel experts in the fields in question, though there were also cases when such advice had been obtained early enough for changes to be made to Bills before they were introduced. While the machinery for preparing legislation seemed to be under strain, the answers were not obvious. The preparation of Bills required very highly specialised skills and considerable experience and training. She would be grateful if the Lord President of the Council would arrange for these matters to be explored further and for a report to be submitted to her in due course.

The Cabinet -

3. Invited the Lord President of the Council to arrange for the working of the machinery for the preparation of legislation to be considered by the Queen's Speeches and Future Legislation Committee, on the lines indicated in the Prime Minister's summing up of the discussion, and for a report to be submitted to the Prime Minister in due course.

HOME AFFAIRS

Teachers'
Pay and
Conditions

2. THE SECRETARY OF STATE FOR SCOTLAND said that the acceptance of the Government's offer by union leaders had now been endorsed by a sizeable majority of the members of the largest teachers' union, and there was thus no longer any doubt that the agreement would be ratified. This was a satisfactory outcome to the dispute.

Previous
Reference
CC(86) 42.1

Caterpillars
(UK) Limited

THE SECRETARY OF STATE FOR SCOTLAND said that the redundancies announced earlier in the week by Caterpillars (UK) Limited had been a surprising, as well as most unwelcome, development. The previous year the company had reviewed its international investment plans and as a result had announced substantial new investment in their plant at Uddingston, near Glasgow, a decision warmly welcomed by the Government which had been associated with it. It now appeared that another review had been conducted at the beginning of the month without the knowledge of the Government, and as a result the company had decided to close three of its plants, two in the United States and also the plant at Uddingston. This would result in 1,200 redundancies at the plant itself and 2,000 redundancies overall taking account of the effect on sub-contractors. The decision was a serious blow to the area which already had extremely high levels of unemployment.

THE PRIME MINISTER, summing up a brief discussion, said that the news was most unwelcome and it was important to mitigate the effects on morale in the area as much as possible. Scotland often felt that it was remote from the rest of the United Kingdom and did not feature at the front of the Government's concerns. It was important to correct this impression; one way in which it might be done was for non-Scottish Office Ministers to make more frequent visits to Scotland and to be seen to do so.

The Cabinet -

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

Takeover Bid
for Pilkington
Brothers plc

THE LORD PRESIDENT OF THE COUNCIL, said that it was now being recognised that events had shown that the Secretary of State for Trade and Industry had been entirely right not to refer the takeover bid by BTR plc for Pilkington Brothers plc to the Monopolies and Mergers Commission. If he had done so, there would have been a lengthy period of delay and uncertainty instead of the quick and eminently satisfactory outcome that had in fact occurred. It was most important that this

Previous
Reference
CC(87) 1.2

point should be stressed in Ministerial speeches and appearances on the media. An excellent start had been made by the Secretary of State himself in television and radio programmes the previous evening and earlier that day.

The Cabinet -

Endorsed the observations of the Lord President of the Council.

COMMUNITY
AFFAIRS

Monetary
Compensatory
Amounts

3. THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that at the Agriculture Council on 19-20 January there had been a difficult discussion and disagreement between France and the Federal Republic of Germany on the application of monetary compensatory amounts to pigmeat, poultry and eggs following the realignment of currencies within the European Monetary System. This had now been resolved in a way which did not disadvantage the United Kingdom.

Distribution
of Free Food

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that the Commission had come forward with a proposal for making some food, in particular from public intervention stocks, available free to charities for distribution to those particularly affected by the cold weather. Much of the action fell within the Commission's own powers. The scheme was not fully worked out nor were the implementing rules yet available. It was expected that total expenditure in the Community would not exceed 50 million ecu (about £37 million) and that the arrangements would not continue beyond the end of March. Although he had some reservations about this scheme, in particular on administration and control, the Government should give it a fair wind. The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr Gummer) was discussing its operation with the charities best suited to carry it out. It was a matter for each member state to decide on the charities which might distribute the food. The charities themselves were enthusiastic, and would probably try to fit the distribution into their existing schemes for helping the needy.

In discussion it was said that it was important to make clear that this action was not a way of solving the agricultural surplus problem, since it would involve only a very small part of Community intervention stocks now valued at about 11 billion ecu (about £8 billion). It would be unfortunate if, under the mistaken assumption that this would solve some of the Community's agricultural surplus problems, there were pressures to extend the scheme more widely. These problems required prior action to restrain the flow of goods into the intervention stores. It was also still far from clear what expenditure might be incurred on transport and distribution and this expenditure could be substantial.

Community
Budget, 1987
Previous
Reference:
CC(87) 1.4

THE CHANCELLOR OF THE EXCHEQUER said that the Budget Council on 16-17 January had not reached agreement on the Community budget for 1987. Some member states, mainly those in the south of the Community, had wanted to increase non-obligatory expenditure by more than the maximum rate but the United Kingdom and other member states had successfully opposed this. Some northern member states had supported another proposal containing the device of a negative payments reserve. This had also been defeated. The United Kingdom was seeking further legal advice on the negative payments reserve. The budget situation now was a deadlock but the Budget Council would be reconvened in due course.

The Cabinet -

Took note.

UNAUTHORISED
DISCLOSURE OF
CLASSIFIED
INFORMATION

4. THE ATTORNEY GENERAL reported that the journalist Mr Duncan Campbell had obtained details of a highly classified equipment project, which he had planned to publicise in a film to be shown on BBC television. Such a programme would have been very damaging to national security. The attention of the BBC had been drawn to the fact that this was likely to be covered by a D Notice, and as a result they had decided not to show the film; and the High Court had granted an injunction the previous afternoon preventing Mr Campbell from disclosing the information that he had acquired on the project. He had, however, passed on copies of the film to certain Members of Parliament, and it was planned to arrange a showing that morning in the House of Commons to a number of Labour Members. An application earlier in the day to the High Court for a further injunction to prevent the film from being screened had been refused on the grounds that it would be difficult to enforce and that this was properly a matter for the House authorities. The Speaker of the House had subsequently agreed to instruct the Serjeant at Arms to refuse to make a room available. It had been hoped to table a Motion that afternoon supporting the action taken by the Speaker, but there were procedural difficulties about introducing a Motion at such short notice, and consideration was now being given to alternative ways of dealing with the questions raised by this situation.

In discussion, it was noted that the House of Commons Select Committee on Defence had now asked the BBC to make available a copy of the film. The BBC were being advised not to comply with this request, in view of the injunction granted against Mr Campbell. The Speaker's instruction would be effective throughout the House of Commons, and there would be no difficulty in preventing the film from being screened within the House of Lords. But there was nothing to prevent the Members of Parliament in question from arranging for the film to be shown outside the Houses of Parliament; the High Court injunction had been taken out only against Mr Campbell and his servants or agents. The injunction would not apply to action taken by Mr Campbell before it was granted. The latest edition of the New Statesman, which had gone on sale that

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morning, contained a lengthy article by Mr Campbell on the project; if the article had gone to press before the injunction was granted, he would not be in breach of it.

THE PRIME MINISTER, summing up the discussion, said that Mr Campbell's disclosures were highly damaging to national security; major constitutional issues were also at stake. She would wish to discuss the matter further with those of her colleagues most immediately concerned. No comment should be made on Mr Campbell's article, in accordance with the normal practice where security issues were concerned.

The Cabinet -

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

Cabinet Office

22 January 1987

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