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CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
TUESDAY 15 NOVEMBER 1988
at 10.30 am

P R E S E N T

The Rt Hon Margaret Thatcher MP
Prime Minister

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 Lord Mackay of Clashfern
Lord Chancellor

The Rt Hon Douglas Hurd MP
Secretary of State for the Home Department

The Rt Hon George Younger MP
Secretary of State for Defence

The Rt Hon Norman Fowler MP
Secretary of State for Employment

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
Secretary of State for Trade and
Industry

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

The Rt Hon Kenneth Clarke QC MP
Secretary of State for Health

The Rt Hon Malcolm Rifkind QC MP
Secretary of State for Scotland

The Rt Hon Paul Channon MP
Secretary of State for Transport

The Rt Hon John Moore MP
Secretary of State for Social Security

The Rt Hon John Wakeham MP
Lord President of the Council

The Rt Hon The Lord Belstead
Lord Privy Seal

The Rt Hon Cecil Parkinson MP
Secretary of State for Energy

The Rt Hon John Major MP
Chief Secretary, Treasury

The Rt Hon Antony Newton MP
Chancellor of the Duchy of Lancaster

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THE FOLLOWING WERE ALSO PRESENT

The Rt Hon David Waddington QC MP
Parliamentary Secretary, Treasury

The Rt Hon Peter Brooke MP
Paymaster General

SECRETARIAT

Sir Robin Butler
Mr R G Lavelle (Item 4)
Mr N H Nicholls (Item 4)
Mr A J Langdon (Items 1, 2, 3 and 5)
Mr S S Mundy (Items 1, 2, 3 and 5)

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1987/88
SESSION OF
PARLIAMENT

1. THE PRIME MINISTER said that the 1987/88 Session, which had ended earlier that day, had been unusually full. A large number of major Bills had been passed which would have a major impact on the future of the nation. It had been right for the Government to introduce its major Bills on education, housing and the community charge at the start of the present Parliament, and the task now was to press on with their implementation. The Cabinet would wish to congratulate the Leaders of both Houses, the Whips and the Ministers responsible for Bills on the successful delivery of the Government's legislative programme.

The Cabinet -

Warmly endorsed the Prime Minister's remarks.

PARLIAMENTARY
AFFAIRS

2. The Lord President of the Council informed the Cabinet that, while the arrangements for the debate on the Address from Tuesday 22 November to Tuesday 29 November were likely to follow a similar pattern to previous years, the subjects chosen by the Opposition for debate would not be known until the Eve of Session.

HOME
AFFAIRS

Employment
Training
Scheme

3. THE SECRETARY OF STATE FOR EMPLOYMENT said that the High Court had the previous Friday unanimously upheld the Government's judicial review application against Liverpool City Council's withdrawal of grant and premises from voluntary agencies and employers who had participated in the Employment Training Scheme, awarding costs against the council. This effective use of judicial review by the Government should be of assistance not only in the immediate context of Liverpool, but also in serving as a warning to other councils which might have been contemplating similar action.

Industrial
Action in
the National
Health
Service

Previous
Reference:
CC(88) 34.2

THE SECRETARY OF STATE FOR HEALTH said that the sporadic industrial action by nursing staff aggrieved by the gradings which they had been awarded was continuing, although its extent had been greatly exaggerated in some sections of the media. The current pattern was that as soon as a dispute in one hospital had been settled, a fresh dispute broke out elsewhere. The industrial action, which was being whipped up by local officers of the Confederation of Health Service Employees (COHSE) and the National Union of Public Employees (NUPE), mostly took the form of working to grade rather than strike action. COHSE and NUPE were not coming well out of their actions, and he and the Minister for Health had repeatedly made clear that the proper course for nursing staff aggrieved about their gradings was to pursue the matter through the appeals mechanism which had been agreed with the trades unions. The Royal College of Nurses had urged its members not to take industrial action.

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and had intervened effectively in securing the return to normal work of its members who had taken action at Birmingham Children's Hospital, but the Royal College had shown an ambivalent attitude by simultaneously asserting that the nurses did have a genuine grievance. It was clear that many nursing staff indeed felt that they had legitimate cause for complaint, but that was the inevitable outcome of any major restructuring of pay arrangements. The new grading structure had been agreed with the trades unions and it was always envisaged that individual pay increases would range fairly widely. His department's assessment was that local management had in general been very successful in awarding the new gradings, though some errors, which the appeals mechanism was designed to correct, were bound to have occurred. It was essential that local management should stand firm on disputed gradings since any failure to do so would encourage the rapid spread of industrial action and would undermine the appeals procedure, and nurses were being warned that they would be disciplined if they failed to work normally. Industrial action, which, on the experience of previous years, was probably intended in part to influence the outcome of the nurses pay review body's recommendations which were due in the following January for the next pay round, would probably continue for some time. However, he was not aware of any significant damage to patient services which had occurred as a result of the current dispute and at Birmingham Children's Hospital, for example, the turning away of a single patient had been sufficient to bring the action there to a close.

Industrial
Relations in
the Coal
Industry

THE SECRETARY OF STATE FOR ENERGY said that the National Union of Mineworkers' (NUM) delegate conference had decided the previous week to ballot their members on a possible overtime ban. The position had been slightly complicated by the emergence of a candidate for the post of General Secretary to the Union of Democratic Mineworkers (UDM) who was standing against the present General Secretary, Mr Roy Lynk, on a platform of support for the reuniting of the UDM and the NUM. British Coal had made clear that their response to any overtime ban would be to carry out within the following 12 months the programme of pit closures which it was currently planned to implement over the following few years, at a possible loss of up to 20 pits and up to 20,000 jobs. Coal stocks were extremely high and rising and the price of oil was currently very favourable.

The Cabinet -

Took note.

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FOREIGN
AFFAIRS

Visit by
the President
of the Soviet
Union to
the United
Kingdom

4. THE FOREIGN AND COMMONWEALTH SECRETARY said that, as announced by the Prime Minister the previous evening, the President of the Soviet Union, Mr Mikhail Gorbachev, would be visiting the United Kingdom from 12 to 14 December. This would follow visits to New York, where he was due to address the United Nations General Assembly, on 7 and 8 December and to Cuba from 9 to 11 December. Mr Gorbachev would be accompanied by the Soviet Foreign Minister, Mr Eduard Shevardnadze, and by the Chairman of the Central Committee Commission on Foreign Relations, Mr Aleksandr Yakovlev. It was possible that the Soviet Defence Minister, Marshal Dimitri Yazov, or the Soviet Chief of Staff, Marshal Sergei Akhromeyev, would also be in the party. The Foreign and Commonwealth Secretary would have separate talks with Mr Shevardnadze, and the Secretary of State for Defence with any Soviet defence visitor. Mrs Gorbachev would also be coming. This development gave the lie to reports that the United Kingdom's relations with the Soviet Union lacked substance and was an important recognition by Mr Gorbachev of the United Kingdom's position in East-West relations. Care would be needed to avoid appearing to upstage France or the Federal Republic of Germany: the Federal Chancellor, Dr Helmut Kohl, had only recently visited Moscow, and the French President, Monsieur Francois Mitterrand, was to do so shortly.

Meeting of
Western
European
Union
Foreign and
Defence
Ministers

THE FOREIGN AND COMMONWEALTH SECRETARY said that Western European Union (WEU) Foreign and Defence Ministers had met in London the previous day. The signature had taken place of the Protocol of Accession by Portugal and Spain. The accession negotiations had been concluded sooner than expected. Both countries had subscribed to all aspects of the WEU. There had also been a preliminary consideration of the application by Turkey to join the WEU; this would have to be handled carefully and no encouragement should be given to the idea that early progress would be made but special consultative arrangements could be considered. The occasion had provided a useful opportunity for Ministers to discuss how best to enlist public support for defence expenditure and for current arms control policies.

THE SECRETARY OF STATE FOR DEFENCE said that there had been a warm welcome for the success of the joint mine-clearance operation in the Gulf, with which all WEU members had been associated; this included a financial contribution from Luxembourg and the redeployment of Federal German warships to the Mediterranean to make up for the absence in the Gulf of units of other WEU navies. It was clear from discussion of the modernisation of Western nuclear forces and the means of commanding public support for this, that certain members were insufficiently robust in their attitude.

In discussion, it was noted that it would be important to encourage those who were unenthusiastic about nuclear modernisation to see it as an essential element in the West's overall defence and arms control strategy.

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Meeting of
Palestine
National
Council

THE FOREIGN AND COMMONWEALTH SECRETARY said that some limited advances had been achieved at the meeting of the Palestine National Council in Algiers from 12-15 November: there had been acceptance of United Nations Security Council Resolution 242 and implicit recognition of Israel. There had also been some move towards the renunciation of violence, but this had been outweighed by the lionising of Mr Khaled Abdul Nasser, the son of the former Egyptian President, who was wanted by the Egyptian Government for the murder of Israeli and United States diplomats. It would be difficult to persuade the Palestinians to adopt a more forthcoming attitude towards the Middle East peace process.

Israel

Previous
Reference:
CC(88) 34.3

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Prime Minister of Israel, Mr Yitzhak Shamir, had negotiated a provisional coalition agreement between his Likud Party and the religious parties. This boded ill for the prospects for an international conference on the Arab/Israel dispute. It would be important to persuade the incoming United States Administration to apply pressure on the new Israeli Government to accept a settlement based on land for peace.

Pakistan

THE FOREIGN AND COMMONWEALTH SECRETARY said that elections were to be held the following day in Pakistan for the National Assembly. The run-up to the elections had been reasonably trouble-free, although the leader of the Pakistan People's Party (PPP), Miss Benazir Bhutto, had complained, probably with good reason, that the Government's decision, which had been upheld by the Supreme Court, that voters must have identity cards would discriminate against her supporters. The elections could result in a dead heat between the PPP and the Pakistan Muslim League, which was led by the former Prime Minister, Mr Mohammad Khan Junejo. There was a danger that the losing party might allege electoral malpractice; the army remained in the wings and its eventual intervention could not be ruled out. Given Pakistan's economic, political and strategic constraints, it was unlikely that the election would result in any substantive change in policy.

The Cabinet -

Took note.

The Queen's
Speech on the
Opening of
Parliament

5. The Cabinet considered a memorandum by the Lord President of the Council (C(88) 15) to which was attached a draft of The Queen's Speech on the Opening of the 1988-89 Session of Parliament.

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THE LORD PRESIDENT OF THE COUNCIL said that the draft speech had been drawn up in the usual way by The Queen's Speeches and Future Legislation Committee (QL) and was based on the legislative programme that had been provisionally approved by the Cabinet at their meeting on 10 March (CC(88) 9.5). Since that time the Broadcasting Bill and the Housing (Scotland) Bill had been withdrawn from the 1988-89 programme, and Bills on the admission of supporters to football grounds and on the payment of Eurocontrol charges in European Currency Units were proposed to be added to it. In the light of the Cabinet's earlier discussion it was also now proposed to expand the Elected Authorities (Northern Ireland) Bill so as to make provision for candidates at local elections in Northern Ireland to make a declaration against terrorism. QL also proposed that a final decision on whether the Representation of the People Bill could be accommodated in the 1988-89 session should be deferred until the New Year. In addition to the customary material, and to the references to major Bills, the draft Speech included general paragraphs on the environment, education and the National Health Service. He believed that it was right to emphasise in this way the importance which the Government attached to those matters. When the Cabinet had provisionally approved the 1988-89 legislative programme they had agreed that it was an exceptionally heavy one, at the limit of what could be managed. The programme had grown no easier since then, and it would be essential that colleagues should exercise close oversight over the timely preparation of the Bills for which they were responsible and do all they could to avoid a heavy burden of subsequent Government amendments. The 1987-88 session had demonstrated the importance of making an early start with the major Bills, and it would be vital to ensure that as many main Bills as possible were taken to Second Reading before Christmas, despite the session's unusually late start. The pressures for time on the floor of the House of Commons in the opening weeks of the forthcoming session would be unusually great.

In discussion, the following main points were made -

- a. The Children Bill, which was being introduced in the House of Lords, was a very important and wide-ranging social policy measure that provided the main element of this kind in the legislative programme for the forthcoming session. While the Bill should be generally welcome to all shades of political opinion, it raised a number of difficult issues that both Houses would undoubtedly want to discuss in depth.
- b. The Government could expect criticism for not including a Bill on the alleviation of human infertility, to implement the Warnock Committee's report. The limits of what was possible were rapidly being pushed back in this area of science, and until the Government introduced its own legislation there was a risk of a Private Member's Bill seeking to control the situation. It was very desirable that everything should be done to prepare the path for a Government Bill in the 1989-90 Session.

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c. Two Bills for which early Royal Assent was essential were the Prevention of Terrorism (Temporary Provisions) Bill and the Elected Authorities (Northern Ireland) Bill. Both these measures would prove controversial in Parliament.

d. Some drafting changes to the Speech were agreed.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet had approved the changes to the provisional legislative programme reported in C(88) 15 and had approved the draft Speech attached to that paper, subject to various points agreed in discussion. The forthcoming session's programme was exceptionally heavy, and it would not have been practicable to include legislation to implement the Warnock Committee's report alongside the very important Children Bill. The time for legislation on the Warnock Report would have to come, however, and careful thought should be given to the best way of isolating and handling the contentious issues concerning embryology research. The session just completed had shown the importance of making an early start with the main Bills, and this would be no less important in the forthcoming Session. Colleagues in charge of Bills should co-operate with the Lord President of the Council in ensuring that the legislative programme made as much progress as possible before Christmas.

The Cabinet -

1. Took note, with approval, of the Prime Minister's summing up of the discussion.
2. Approved the changes to the provisional legislative programme set out in C(88) 15.
3. Subject to the changes agreed in discussion, approved the draft Speech attached to C(88) 15.
4. Instructed the Secretary of the Cabinet to prepare a final revision of the draft Speech, taking into account these changes, for the Prime Minister to submit to The Queen.

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