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CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on
THURSDAY 15 DECEMBER 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 Lord Mackay of Clashfern
Lord Chancellor

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

The Rt Hon Peter Walker MP
Secretary of State for Wales

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 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 John MacGregor MP
Minister of Agriculture, Fisheries
and Food

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

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THE FOLLOWING WERE ALSO PRESENT

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 (Items 3 and 4)
Mr P J Weston (Items 3 and 4)
Mr A J Langdon (Items 1, 2 and 5)
Mr S S Mundy (Items 1, 2 and 5)

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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 and the business provisionally arranged for the first week after the Christmas Adjournment.

Security
Service Bill
and Official
Secrets Bill

THE HOME SECRETARY said that the debate on the Second Reading of the Security Service Bill would take place later that day and the debate on the Second Reading of the Official Secrets Bill would take place on the following Wednesday. A couple of Government backbenchers in the House of Commons, together with some sections of the media, had come out against the Bills. While they were unlikely to change their stance, there was nothing to suggest that they would exercise much influence over other Government backbenchers. On the other hand, a number of Government backbenchers would support the Government during the debates on the Bills. The Opposition Spokesman on Home Affairs, Mr Hattersley, had indicated on television on the day of the Security Service Bill's publication that the Opposition would not vote against the Bill. However, as a result of the divisions in the Labour Party over the Second Reading of the Prevention of Terrorism (Temporary Provisions) Bill, the Opposition had now decided to vote against the Second Reading of the Security Service Bill on the pretext that it failed to make provision for oversight by a committee of Privy Councillors. The Opposition would also vote against the Second Reading of the Official Secrets Bill.

THE PRIME MINISTER, summing up a brief discussion, said that the position now taken by the Opposition on the Security Service and Official Secrets Bills would probably be helpful to the Government in carrying both measures.

The Cabinet

Took note.

HOME AFFAIRS

Serious Train
Accident at
Clapham
Junction

2. THE SECRETARY OF STATE FOR TRANSPORT said that the latest information was that 33 people had died and 133 people had been injured, of whom 27 had suffered major injuries, as a result of the very serious train accident which had occurred 300 yards west of Clapham Junction Station on the previous Monday. The track had now been cleared and rail services were returning to normal. Following consultation with the Lord Chancellor, he had decided to appoint Mr Anthony Hidden QC to chair an independent inquiry into matters relating to the accident and he hoped to make an announcement to that effect later that day. He expected to be able to announce within the following few days the names of the assessors who would assist Mr Hidden and the date of the first hearing. The Opposition could be expected to allege that the terms of reference of the inquiry were too narrow: this was entirely without foundation.

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The fact was that, as was customary with inquiries into railway accidents, the inquiry would be held under the provisions of the Regulation of Railways Act 1871 which would give Mr Hidden discretion to call for any evidence which might be relevant. The role of the inquiry, which would be held in public would be to establish the facts of the accident and to make recommendations. Mr Hidden had confirmed to him that he would seek to complete the task as soon as reasonably practicable.

THE SECRETARY OF STATE FOR EDUCATION AND SCIENCE said that staff and pupils of Emmanuel School had been among the first people on the scene of the accident. They had reacted very bravely, pulling some of the injured passengers out of the wreckage. They had been faced with some very distressing scenes and, at the request of the headmaster, his Department had arranged for counselling to be made available to those who might require it.

THE PRIME MINISTER said that the Cabinet would wish to place on record their condolences for those who had been bereaved or injured in this very serious accident, and their appreciation of the efforts of the emergency services. There were already signs of a search for scapegoats, and it was important that the inquiry should be completed as quickly as was commensurate with a thorough investigation.

The Cabinet -

1. Associated themselves with the Prime Minister's remarks.

unemployment

previous

reference:

C(88) 36.2

THE SECRETARY OF STATE FOR EMPLOYMENT said that the unemployment figures for November would be published later that day. The seasonally adjusted total had fallen by almost 50,000 to 2.109 million, which was a larger reduction than most commentators had anticipated. This was the twenty eighth consecutive monthly reduction and unemployment, which now stood at the lowest figure since April 1981, had fallen by almost 500,000 since November 1987, by around 750,000 since the General Election and by over 1 million since July 1986. Long-term unemployment was falling even faster than unemployment generally. The unemployment rate had fallen to 7.5 per cent in the previous month compared with 9.2 per cent in November 1987 and was now substantially below that of many other European countries including France, Belgium and the Netherlands. Every part of the country had benefited, with the largest reductions having occurred in the West Midlands, the North West and Wales. It was especially encouraging that the number of unfilled vacancies was standing up well, with 245,000 vacancies at job centres and an estimated 700,000 vacancies in the economy as a whole. In Greater London, there were at least 140,000 job vacancies, of which about one-third could be filled by people with no previous training, compared with 250,000 unemployed people. Those unemployed people who were in need of training were able to take advantage of the Employment Training Programme which,

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as he had reported to the Cabinet at their previous meeting (CC(88) 38.2), had got off to a very good start.

The Cabinet -

2. Took note.

3. THE FOREIGN AND COMMONWEALTH SECRETARY said that the scale of the disaster caused by the earthquake in Armenia was seen to be growing. The Soviet authorities had initially been so overwhelmed that co-ordination of relief efforts on the ground had been almost non-existent. They were now taking steps to improve matters. The rapid announcement of the Government's immediate £5 million emergency aid had been very well received both in the United Kingdom and in the Soviet Union. It was probably the largest donor contribution announced so far. Very close links had been established between the disaster unit in the Overseas Development Administration and the Soviet Embassy in London, as also between the British Embassy in Moscow and the Soviet authorities there. The response both from the Government and the British public had undoubtedly done much to strengthen Anglo-Soviet relations.

FOREIGN
AFFAIRS

Soviet Union
previous
reference:
CC(88) 38.3

Arab/Israel
dispute

THE FOREIGN AND COMMONWEALTH SECRETARY said that the leader of the Palestine Liberation Organisation (PLO), Mr Yasser Arafat, had in his press conference on 14 December at last met the three long-standing conditions for Ministerial contact with the PLO. This followed progress behind-the-scenes through the good offices of Sweden during the preceding week. Similar progress had been registered at the recent meeting between the Minister of State, Foreign and Commonwealth Office (Mr Waldegrave) and the PLO spokesman, Mr Bassam Abu Sharif. The United Kingdom had brought strong pressure to bear on 14 December in Geneva to push Mr Arafat in his press conference to go beyond what he had said in his speech to the United Nations General Assembly (UNGA) in Geneva, which had contained elements of playing to the public gallery. Bringing the PLO to this point publicly was an important success for the Government's line and for the United States Secretary of State, Mr George Shultz, personally. The latter had told him that he saw the behind-the-scenes contacts in Sweden as opening up an important opportunity. Mr Shultz had been willing to take any criticism from Israel that such a break-through with Mr Arafat might entail, just as he had earlier been ready to take criticism from other quarters about his refusal to allow Mr Arafat to enter the United States to address the United Nations at New York. The way had now been opened for participation in the negotiating process by the PLO. The next task would be to extract a constructive response from Israel. Mr Yitzhak Shamir was the most intransigent of Israeli politicians on this question. But it seemed likely that the new Israeli government

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would be a coalition between the Israeli Labour Party and Likud, and this was probably the most hopeful available basis for further progress from Israel.

In a brief discussion, it was noted that the rapid evolution of events since the very negative American attitude after the publication of the Palestine National Council's communique had been remarkable. It seemed that Mr Shultz had been eager to maintain efforts for progress on major international issues right up to the last moment of the present Administration and thereby to open the way for President Bush's Administration to get off to a flying start. It was odd that although Mr Arafat had apparently obtained authority during the preceding weekend from the executive committee of the PLO to accept the formulation negotiated with the Americans via Sweden, he had nevertheless not made full use of this during his speech to UNGA but had preferred to vacillate. The obvious danger now was that the opponents of Mr Arafat would seek to provoke some major terrorist incident thereby undermining the effect of Mr Arafat's public renunciation of terrorism.

North
Atlantic
Council
meeting
in Brussels

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Ministerial meeting of the North Atlantic Council in Brussels on 8 and 9 December had concentrated on the mandate for the forthcoming negotiations on stability of conventional forces. Following the speech by President Gorbachev on 7 December at the United Nations General Assembly, the statement issued on 8 December by Foreign Ministers of the North Atlantic Alliance on conventional arms control had struck a good balance. It had proposed an overall limit on the total holdings of key armaments in Europe and in particular a reduction of tanks by some 50 per cent. The statement had also recognised the reductions announced by the Soviet Union as a modest step in the right direction. Given the great preponderance of Soviet conventional forces, President Gorbachev had considerable room for manoeuvre by gestures of this kind. This needed to be brought out clearly in Western public presentation. The Foreign Ministers had also committed themselves to completing before the next Ministerial meeting of the North Atlantic Council their comprehensive concept of arms control and disarmament, the purpose of which would be to show how the various arms control agenda items could be pursued consistently with the need for necessary modernisation of some nuclear forces. It would be important to sustain pressure on other North Atlantic Treaty Organisation (NATO) partners to secure timely modernisation of such forces. The United States had been more restrained than expected at the recent meeting in Brussels. This was perhaps evidence of the normal hiatus in the transition period between two Administrations.

In a brief discussion, it was noted that the West was well placed to retain the high moral grounds. President Gorbachev had by his 7 December speech in effect recognised the disparity of forces in favour of the Warsaw Pact. The publication by NATO a few days before his speech of comprehensive figures on the conventional force balance

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between East and West had provided a timely picture of the ground rules which would have to govern the negotiations. The West needed to maintain pressure on the Warsaw Pact to reduce their forces to parity with the West and to adopt a genuinely defensive posture. It needed to be pointed out that President Gorbachev's reductions offer of 7 December affected only some 10 per cent of the totality of Soviet conventional forces. Even this had been secured only with difficulty, to judge from the resignation of his former supporter and Chief of the Soviet General Staff, Marshal Sergei Akhromeyev. Those who criticised the Government's cautious attitude toward President Gorbachev's recent speech were sometimes the same people who asked whether President Gorbachev would survive, thereby implicitly recognising the need for caution. Even after the recently announced reductions the Warsaw Pact would still have some 40,000 tanks whereas the West was proposing parity for each side at current NATO levels of 20,000.

Tibet

THE FOREIGN AND COMMONWEALTH SECRETARY said that on 10 December Chinese police in Lhasa had fired on Tibetan demonstrators. The facts were not clear but it seemed that at least two Tibetan monks had been killed. A Dutch girl had been slightly wounded but the Netherlands Embassy in Peking were not convinced that she had been only a bystander as she claimed. The Tibetan demonstration appeared to have been planned but the Chinese police had handled it badly and certainly with less skill than recent Soviet reactions to demonstrations in some of the Republics of the Soviet Union. The Government's policy should be to avoid being drawn into controversial discussion on the state of Tibet, while retaining the freedom to criticise clear cases of human rights violations, whether in Tibet or elsewhere in China. The prospects of possible future talks between the Dalai Lama and the Chinese Government were something which the Government could welcome.

Anglo-Irish
Relations

Previous
Reference
CC(88) 34.3

THE SECRETARY OF STATE FOR NORTHERN IRELAND said that the Ministerial meeting of the Anglo-Irish Conference on 14 December had provided the opportunity to express further concern about the case of the former Catholic priest, Father Patrick Ryan, whose extradition the Government had sought. The Irish side at the talks led by the Tanaiste, Mr Brian Lenihan, and the Irish Minister of Justice, Mr Gerry Collins, had been acutely embarrassed by recent events and had accepted without bridle his candid reproof of the Irish Government's decision. The Irish were now looking for other ways in which to co-operate with the United Kingdom. The meeting with the new Commissioner of the Garda had been positive and constructive. It would be necessary for the Government to state fairly and squarely that the Irish Attorney General's response in this case had been very unsatisfactory. It was not defensible that the Irish authorities should be able to hold someone subject to extradition proceedings for only three days whereas it took the Irish Attorney

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General two weeks to come to a decision whether or not to back an extradition warrant. Invoking categorical assurances given by the Taoiseach, Mr Charles Haughey, to the Irish Dail, the Government would now ask the Irish Government to review their extradition legislation. As for Father Ryan, Irish Ministers were very much hoping to be spared further embarrassment and strongly favoured a British decision to have Father Ryan prosecuted in Ireland in accordance with existing extra-territorial jurisdiction provisions, since both the British and the Irish Attorney Generals had said there was a case to answer.

THE SECRETARY OF STATE FOR NORTHERN IRELAND said that many people were suggesting that events of the previous few days showed that the Anglo-Irish Agreement was worthless and should be torn up. On the contrary, if the Ministerial Conference established under the Anglo-Irish Agreement had not existed it would have been necessary to invent it in order to provide the present valuable forum for blunt speaking when required. The Garda had made a real contribution in their successive discoveries of arms hidden illegally in the Irish Republic. But they seldom if ever managed to arrest offenders, and the Irish remained as emotional as ever in their inhibitions about the idea of handing over Irish citizens to the United Kingdom for due legal process. This ingrained resistance would have to be broken down. Extra-territorial jurisdiction was not an alternative to extradition.

The Cabinet -

Took note.

COMMUNITY
AFFAIRS

Meeting of
Immigration
Ministers
and Trevi
Group on
9-12 December

4. THE HOME SECRETARY reported on the meeting of Immigration Ministers and the Trevi Ministerial meeting in Athens on 9 December. At the Trevi meeting there had been a general discussion of extradition against the background of the Ryan case and the refusal of Greece to extradite a suspected Arab terrorist to Italy. Despite press reports holding out such a prospect, and the presence of two Belgian Ministers, no new Belgian proposals were forthcoming. There was general acceptance that there was no need to look for radical change in existing extradition arrangements. These were thought satisfactory in themselves. But a serious effort was required to achieve their implementation. THE HOME SECRETARY said at the meeting of Immigration Ministers he thought he detected greater understanding that action to combat terrorism, drug trafficking and other serious crime would require the maintenance of checks at frontiers. Lord Cockfield's approach on this occasion had been less belligerent than in the past. In the context of controls of third country nationals, illustrated by the problem of transit of non-EC nationals through Frankfurt, the Dutch had made clear that they too saw a continued need to maintain internal frontiers.

In a short discussion, the question was raised whether control of terrorism could be achieved through existing laws and procedures addressed to normal crimes. Since terrorism was a crime against an

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indeterminate target, perhaps a new philosophy was required. In response it was noted that control of terrorism had been a matter for debate at successive Summit meetings. The essential necessity was to secure acceptance of the need to take up and sustain firm positions. United Kingdom procedures dealt with terrorists under domestic criminal law. The requirement was not to replace such existing systems but to build adequate bridges between the different legal systems of member countries. It was against that background that consolidating legislation was now being put through the House of Commons. This would permit ratification of the European Convention on Extradition. The European Convention on the Suppression of Terrorism already provided extra-territorial jurisdiction. This bridge building process would be extended by additional legislation on the production and taking of evidence for which a Bill of 20 to 30 clauses might be required and which it was hoped to introduce next year.

Summing up the discussion, the Prime Minister said that, in the interests of gaining the co-operation of others, it was important that the United Kingdom should show that it was doing all it could. In advance of ratifying the Convention on Terrorism, the United Kingdom could observe its provisions. A high priority would need to be attached to the introduction of the legislation required for promoting mutual legal assistance in criminal matters.

Economic and
Finance
Council
Meeting
2 December

THE CHIEF SECRETARY, TREASURY said that the Chancellor of the Exchequer had attended the meeting of the Economic and Finance Council on 12 December. Lord Cockfield had reported on bilateral meetings with individual member states on indirect tax approximation that had taken place since the October Council. For the first time he had shown some recognition of the concerns of member states although he remained negative on the question of zero ratings. The Chancellor of the Exchequer had drawn attention to the scale of practical difficulties presented by the Commission's proposals and the need for radical changes to them. He had made clear that the Government would in no circumstances abandon its commitments on zero rates. There had also been some discussion at the meeting about proposals for a tax on savings. The French had again sought to suggest that there was a link between implementation of the directive on liberalisation of capital movements and implementation of such a withholding tax throughout the Community. The Chancellor of the Exchequer, supported by colleagues from the Netherlands, Luxembourg and Denmark had made clear the absence of any such link. As was not uncommon, the Germans had not joined issue with the French on this matter. In a brief discussion it was noted that this issue had also been raised at successive European Councils.

Fish Council
9-11 December

THE SECRETARY OF STATE FOR SCOTLAND said that the Minister of Agriculture, Fisheries and Food had achieved a highly successful outcome

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to a difficult negotiation at the meeting of the Fish Council on 9-11 December. Scientific advice had shown the need for a major reduction in the level of allowable catches for haddock. The Minister had succeeded in negotiating a reduction limited to 60 per cent compared with that applied to others at 80 per cent. The British share of the total quota had increased from 78 per cent to 87 per cent. The industry had responded constructively to this outcome. The Scottish Fishing Federation had issued a statement making clear their view that this was the best deal that could have been obtained. For its part, the processing industry had recognised the need to achieve protection of stock. The Minister of Agriculture, Fisheries and Food had also negotiated improved opportunities for fishing mackerel taking account of the shift in mackerel fishing grounds in the North Sea.

Summing up a brief discussion, the PRIME MINISTER said that the Cabinet congratulated the Minister of Agriculture, Fisheries and Food on the major success he had achieved in the negotiations at the December Fish Council.

General
Agreement on
Tariffs and
Trade
Uruguay
Round:
Mid-Term
Meeting

Previous
Reference:
CC(88) 37.3

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD, reporting on the outcome of the Mid-Term Meeting in Montreal of the General Agreement on Tariffs and Trade Uruguay Round, said that agriculture had been the main stumbling block to progress. This reflected the intransigent position taken up by the United States Secretary for Agriculture, Mr Lyng. The European Community had shown greater flexibility. The Dutch, and in the absence of their agricultural ministers, the Germans and Italians, had supported him in new initiatives taken in the course of the negotiations. However the United States had insisted throughout the meeting on the total elimination of subsidies, themselves undefined, to be achieved by an indefinite date. They had not been prepared to talk about short term support reductions. The United States Secretary for Agriculture had evidently decided against any move. His motives were not wholly clear. It was possible that he had in mind the need to leave some room for manoeuvre for his successor. This appointment was to be taken by Mr Clayton Yeutter who had given indications of greater flexibility in the recent meeting. The outcome of the Montreal meeting had been reviewed in the current session of the Agriculture Council. The Agriculture Commissioner, Mr Andriessen, had expressed the view that the Community had been isolated. The French Minister of Agriculture had suggested that it would be necessary for the Community to make further concessions in the coming year. While Monsieur Mallet took a more rational view than his French predecessors the Germans appeared still to want to leave existing support levels unchanged.

Agriculture
Council,
12 December

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that the meeting of the Agriculture Council which had begun on 12 December would resume again in the coming week. Agreement had been reached on the spirit

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drinks directive which defined quality standards and labelling requirements. United Kingdom producers would benefit from this directive in the adoption of which the Irish Minister of Agriculture had proved of particular assistance. Other issues under discussion of particular interest to the United Kingdom included New Zealand butter and sheepmeat and further reform of the beef regime. On the latter, considerable reductions in beef support were under consideration. Loss of the United Kingdom variable premium would lead to savings of some £80 million a year. No agreement had however yet been reached on alternative beef premia arrangements. Those currently on offer would involve discrimination against the United Kingdom. THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that he would be carrying out further discussions with the Chief Secretary, Treasury about the level of subsidy to be paid to domestic producers. Income levels generally for United Kingdom agriculture producers were sharply down while that of others had increased.

The Cabinet

Took note.

SALMONELLA
AND EGGS

Previous
Reference:
CC(88) 38.2

5. THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that although the growing problem of infection of eggs by salmonella enteritidis PT4 had clearly necessitated the public health guidance that had been issued on 26 August and 21 November, that advice had not been given wide publicity in the media at the time, and the demand for eggs had not been greatly affected. He had therefore hoped that there would be sufficient time to work up effective programmes for dealing with this emerging problem before the public was seized with alarm. In the event, however, the sudden public anxiety that the Cabinet had noted the previous week had continued unabated, and the position was now serious. While the situation varied around the country, the fall in wholesale orders for eggs was of the order of 25-50 per cent, and major retailers were reporting a drop in egg sales of 25 per cent, at a time of the year when the demand for eggs was normally increasing. The egg production industry feared that sales and prices would continue to fall: the wholesale price of eggs, which stood at 48 pence per dozen in early November, had already fallen to 31 pence per dozen, while the offer prices for the following two weeks stood at 16 pence and 10 pence per dozen respectively. There was no doubt about the very serious losses that were now being faced by producers, many of whom were in a small way of business. The prices being offered for eggs did not cover the cost of feed for the poultry flocks, and feed suppliers were refusing credit. In this desperate situation, some slaughtering of stock was already taking place, and increasing numbers of producers would need to consider taking this action over the next few days to cut their losses. In addition, large numbers of eggs that could not be sold were being put into storage. The advertising campaign to promulgate the facts, which had been agreed at a meeting taken by the Prime Minister earlier in the week, would no doubt be criticised by the egg producing industry as

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offering insufficient reassurance, but there was very little room for manoeuvre on this. While he was reasonably confident that the National Farmers Union understood that their cause would not be served by their being seen to press for a degree of public reassurance that the facts did not justify, there was a very large number of small producers who were unlikely to refrain from publicising their plight. Until the present crisis he had discouraged the idea of any buy-in programme for eggs or hens, but in the present circumstances he believed that this might have to be contemplated. The costing of such programmes was difficult, because the egg production industry was in any event having a poor year and producers might leap at the chance of any form of compensation. As a rough guide, a buy-in programme for 4-5 million dozen eggs a week would cost about £1.5 million per week, while a buy-in programme for hens, at £1 a bird, might cost about £11 million. As for further action to control the infection, his Department was considering the need for additional controls on feedstuffs and had been reviewing whether the voluntary code of practice should be put on a statutory basis.

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THE SECRETARY OF STATE FOR HEALTH said that the note he had circulated to Cabinet colleagues at the end of the previous week summarised the Chief Medical Officer's assessment of the facts, and it was important that Ministers should stick closely to this authoritative advice, which was considerably less dramatic than some of the material being produced by less balanced health commentators. There was no doubt that salmonella associated with eggs had been increasing throughout the year, and there was every reason to believe that this increase would continue. The attention being given to the matter in the media would undoubtedly lead to a higher rate of reporting incidents of food poisoning, and the problem would in any event become more acute with the return of warmer weather in the following year. The Chief Medical Officer's advice must remain the cornerstone of the Government's approach to the health problem and, for the time being, the Chief Medical Officer could be expected to maintain the advice that he had first given on 26 August and which now formed the core of the advertisement that would be put out the following day. The Chief Medical Officer's advice had to be professional and impartial and if the risk of food poisoning from eggs should further increase, then this could not be disguised. Unless an effective eradication programme was put in hand, the medical advice was bound to get more gloomy. He believed that the statement in the advertisement that the Government and the industry were tackling the problem constituted a new commitment, and would be widely seen as offering the prospect of an effective programme to control the infection.

The following main points were made in discussion.

- a. The egg production industry had pressed for an advertisement that would offer a virtually unqualified assurance that it was safe to eat eggs. Since the Chief Medical Officer's advice was inevitably far more cautious than that, the advertisement would not satisfy the producers and it might even stimulate public anxiety and lead to a further drop in egg consumption. On the other hand,

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a state of widespread confusion and alarm had now been generated, and there was an obligation on the Government to promulgate an unvarnished account of the true facts. It was not possible to answer every question and, in particular, no valid estimate could be made of the national rate of infection. While, from a presentational point of view, it might be unfortunate that the advertisement could only say that the number of recorded outbreaks underestimated the extent of food poisoning from salmonella, there was no other scientifically sound comment that the Government could make.

b. Any attempt to eradicate the infection by replacing breeding strains would probably need to be carried out on a very wide scale if it were to have any hope of success, and, even then, salmonella would remain present in the environment to present a threat of re-infection. Other countries were facing a similar problem although comparisons of relative extents of infection were difficult to make. It might be that the infection could not be totally eradicated, and that the public would, in the longer term, have to get used to this idea, in the same way that it generally accepted that shellfish carried some risk of food poisoning.

c. In Sweden a technique for treating day-old chicks was being developed, and it was possible that this might hold out some hope for controlling salmonella infection. Urgent enquiries were being made into this, but it was far too early to base any hopes on the technique which, in any event, might prove very expensive.

d. The Chief Veterinary Officer advised that it was impossible to detect salmonella in living birds. This together with the impracticability of detecting infected eggs by random sampling, made it difficult to see how any valid assurance could be given to the public that particular eggs were free from salmonella, or came from a flock that was free from the infection. Some retailers were nevertheless offering such assurances. There was a need to develop a protocol to govern testing and the advice that could properly be offered to the public.

e. Now that public anxiety about eggs had reached the present level, it would be impossible to contain the debate. Careful thought would need to be given to the handling of the risks from other animal products.

f. The Department of Health had been given legal advice that comments about salmonella infection that had been made on behalf of the Department did not give rise to a legally enforceable liability.

g. It would be exceptionally difficult to construct a compensation scheme on sound principles, since the precise effect of public health anxieties on egg sales was so speculative. If a wide-scale slaughtering programme should eventually be authorised, any associated compensation costs could be very high indeed.

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THE PRIME MINISTER, summing up the discussion, said that there was now a deep-seated and growing public anxiety about salmonella and eggs. The Cabinet had agreed that it was right to issue the following day an advertisement giving an authoritative statement of the facts, and it was essential that no time should be lost in tackling the fundamental problem by a programme of action to eradicate, or at least substantially reduce, the degree of infection in poultry flocks. The immediate problem, however, lay in the sudden and drastic impact that a sharply reduced demand for eggs had had on the egg production industry. While it might have been reasonable to expect the industry to adjust over a longer timescale, it had to be accepted that the present crisis had made that course impossible. It would not be right in these circumstances for the Government to stand by and see producers deprived of their livelihoods through no fault of their own. Despite all the difficulties it was now necessary to devise a support scheme that might be offered to the industry with as little delay as possible after the issue of the Government advertisement on the following day. Such a support scheme would probably be characterised by more than a little rough justice, but it was now important to act very quickly.

The Cabinet -

1. Took note, with approval, of the Prime Minister's summing up of the discussion and agreed that a Government advertisement of the facts of salmonella and eggs should be issued on the following day.
2. Invited the Minister of Agriculture, Fisheries and Food, in consultation with the Secretary of State for Wales, the Secretary of State for Northern Ireland, the Secretary of State for Health, the Secretary of State for Scotland, the Chief Secretary, Treasury and the Attorney General to devise a scheme to support the egg production industry in its present crisis, and to report his conclusions to the Prime Minister as a matter of urgency.

Cabinet Office

15 December 1988

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