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CABINET

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

THURSDAY 15 NOVEMBER 1984

at 11.00 am

P R E S E N T

The Rt Hon Margaret Thatcher MP
Prime Minister

The Rt Hon Lord Hailsham of St Marylebone
Lord Chancellor

The Rt Hon Leon Brittan QC MP
Secretary of State for the Home Department

The Rt Hon Sir Keith Joseph MP
Secretary of State for Education and Science

The Rt Hon Michael Heseltine 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 Tom King MP
Secretary of State for Employment

The Rt Hon Peter Rees QC MP
Chief Secretary, Treasury

The Rt Hon Douglas Hurd MP
Secretary of State for Northern Ireland

The Rt Hon Lord Young of Graffham
Minister without Portfolio

THE FOLLOWING WERE ALSO PRESENT

Mr Geoffrey Pattie MP
Minister of State, Department of Trade
and Industry (Item 1)

Mr John Cope MP
Treasurer of the Household

SECRETARIAT

Sir Robert Armstrong
Mr P L Gregson (Item 4)
Mr D F Williamson (Items 2 and 3)
Mr B G Cartledge (Items 2 and 3)
Mr M S Buckley (Item 4)
Mr C J S Brearley (Item 1)
Mr R Watson (Item 1)

C O N T E N T S

Subject	Page
PARLIAMENTARY AFFAIRS	1
Statement on the Flotation of British Telecom	1
Stansted/Heathrow Terminal 5 Public Inquiries	1
Fixed Cross Channel Link	3
FOREIGN AFFAIRS	
India	4
Nicaragua	4
Ethiopia	5
COMMUNITY AFFAIRS	
Enlargement of the Community	5
Lomé Convention	5
Community Budget	6
Agriculture: Wine and Milk	6
INDUSTRIAL AFFAIRS	
Coal Industry Dispute	

PARLIAMENTARY
AFFAIRS

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

Statement on
the Flotation
of British
Telecom

THE CHANCELLOR OF THE EXCHEQUER said that the underwriting of the British Telecom share issue should be successfully completed on Friday 16 November. He suggested that a statement to this effect should be made in the House of Commons at 11.00 am on that day.

THE PRIME MINISTER, summing up a brief discussion, said that an oral statement might give an opportunity for comments to be made in the House of Commons which could have an adverse effect on the flotation. In any case, the sub-underwriting would not be completed until noon. A statement after that time would be unusual. The form of any statement would in any case need very careful wording because of the legal restrictions surrounding the Government's handling of the flotation. For these reasons no statement, oral or written, should be made at this stage unless the Opposition pressed very strongly for one. As already planned, an oral statement should be made on 3 December when dealing would commence.

The Cabinet -

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

Stansted/
Heathrow
Terminal 5
Public
Inquiries

THE PRIME MINISTER said that the Inspector's report on the public inquiries into the expansion at Stansted Airport and the construction of Terminal 5 at Heathrow Airport was expected later in the month. Such reports were published only when the decision was announced and Cabinet had previously decided that this rule should apply in this case also. The Attorney General had advised, however, that the Inspector's report was relevant to the prospects of British Airways (BA) and ought therefore to be disclosed in connection with the publication of the BA prospectus in February. It was not expected that the decision on Stansted and Heathrow Terminal 5 could be taken by February, and the Secretary of State for Transport had therefore suggested that the report should be published as soon as it had been received. He also proposed that this should be announced before the Second Reading of the Civil Aviation Bill the following week. He was concerned that the Second Reading debate would otherwise be used as a vehicle for discussion of the Stansted and Heathrow Terminal 5 issues. The draft Written Answer announcing that publication would be before the decision justified the change in practice by reference to the flotation of BA and the importance of the issue. What was proposed was a reversal of the previous decision and Cabinet would wish to consider most carefully the implications for the handling of reports on other public inquiries.

In discussion, it was pointed out that the function of the Secretary of State in deciding on a planning application after a public inquiry was a quasi-judicial one. Any discussion between the publication of the report and the taking of the decision involved the risk that new information could be made available which, strictly speaking, should be referred back to the objectors and possibly to a resumed public inquiry before the decision was taken. Although there was no general subjudice rule which forbade the publication of a report for this reason, the practical and political objections to doing so were substantial. The link with the flotation of BA was the only factor which could possibly justify special treatment for the Stansted report, although it was pointed out that a commitment had been given in a Written Answer in the House of Commons to publication of the Sizevell Report before a decision had been taken. Although there was a connection between the Civil Aviation Bill and the outcome of the Stansted inquiry, the former only provided enabling powers to allow the Secretary of State to restrict air traffic movements. The precise figures, which might have an impact on the operation of Heathrow, Stansted or regional airports, would be contained in subsequent subordinate legislation. It ought therefore to be possible to convince Members of the House of Commons anxious to raise this issue that the Second Reading of the Civil Aviation Bill was not the appropriate time to do so. It was also recalled that, in the case of the Windscale inquiry in 1978, the then Secretary of State for the Environment had employed a device to enable the House of Commons to discuss the issues and formally take the decision. He had rejected the Inspector's recommendations, held a debate in the House of Commons, but subsequently embodied most of the recommendations in a Special Development Order which was then debated and approved by Parliament. Even if the report were to be published in advance of a decision, it was important to allow time between receipt and publication to consider whether it contained commercial-in-confidence or similar information which should not be released.

THE PRIME MINISTER, summing up the discussion, said that there were considerable disadvantages in publishing the Inspector's report on the Stansted and Heathrow Terminal 5 inquiries before a decision had been taken. The Cabinet was unwilling to agree to that course of action at this stage. The only justification for prior publication lay in the connection with the BA flotation; the issues themselves were not sufficiently important. Further consideration needed to be given to the timing of publication and of any announcement. One possibility was to consider whether the decision on Stansted and Heathrow Terminal 5 could be taken before the flotation took place. An alternative course of action to be considered was the form of approval which was adopted for the Windscale inquiry. These matters should be considered urgently by a small group of Ministers under her chairmanship.

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The Cabinet -

2. Took note that the Prime Minister would discuss the matter further with the Secretary of State for Transport, the Secretary of State for Energy, the Lord Privy Seal, the Minister for Housing and Construction, the Financial Secretary, Treasury and the Treasurer of the Household.

Fixed Cross
Channel Link

THE SECRETARY OF STATE FOR TRANSPORT reported to the Cabinet that he had just completed discussions with French Ministers which had led to an agreement on future progress on a fixed cross-Channel link. Any project would be financed by private capital with no support from public funds or Government financial guarantees. French Ministers had pressed him hard for guarantees from the European Investment Bank to be included, but he had resisted this. The communique referred to "essential political guarantees" being necessary. This meant that each Government accepted that if, following a change of Government, the proposals were rejected for political reasons, compensation would be paid by the rejecting Government to the firms involved. A joint official working group would be set up to develop the conditions under which projects would be processed.

The Cabinet -

3. Took note.

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2. THE FOREIGN AND COMMONWEALTH SECRETARY said that the Indian Prime Minister, Mr Rajiv Gandhi, had decided to call a general election for 24 December. Mr Rajiv Gandhi appeared to be making good progress in establishing his authority. The principal cause for immediate concern lay in the possible repercussions of actions by Sikhs in the United Kingdom. The Attorney General was considering the strength or otherwise of the grounds for instituting legal proceedings against the extremist Sikh leader, Dr Chauhan. In the meantime, the position regarding the planned march by Sikhs in central London, to mark the anniversary of the founder of their religion, Guru Nanak, remained uncertain: there was a possibility that it might be further postponed beyond the date currently envisaged, 18 November. If the march were to take place, it would create the danger not only of inter-communal violence in the United Kingdom, but of profoundly serious repercussions on relations between the United Kingdom and India including, for example, a possible trade boycott. The Indian High Commissioner in London had made pressing representations to emphasise the depth of Indian concerns, including fears that inflammatory events in the United Kingdom might increase the threat to Mr Rajiv Gandhi himself.

In discussion, it was noted that it was the responsibility of the Commissioner of the Metropolitan Police, if plans for the Sikh march were to go ahead, to assess the risk of public disorder which it might create and then to decide whether to ask the Home Secretary to ban the march. The police were engaged in discussions with leaders of the Sikh community. Whatever the nature and route of the march, if it took place, the event was bound to focus attention on the activities of Sikh extremists, with inflammatory consequences. It was noted that Sikh custom did not require that the religious anniversary should be marked by marches: the occasion could properly be celebrated in Sikh gurdwaras. In view of the importance of the British political and commercial interests at stake, it would be necessary to explore every possibility of preventing the march from taking place.

THE PRIME MINISTER, summing up the discussion said that the Government, faced with the possible consequences of a Sikh march in London, should not remain passive. A further postponement of the march, which might take it into the period of the general election in India, offered no satisfactory solution.

THE FOREIGN AND COMMONWEALTH SECRETARY said that no Soviet MIG fighter aircraft had been delivered to Nicaragua although a recent Soviet shipment had included military helicopters of an advanced type. The United States Government had stated that it had no intention of mounting an invasion of Nicaragua, but the Nicaraguan Sandinista regime was heightening the atmosphere of crisis for its own purposes. The United Kingdom had given public support to the United States opposition to the introduction of new armaments into the Central

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FOREIGN
AFFAIRS

India

Previous
Reference:
CC(84) 36th
Conclusions,
Minute 2

Nicaragua

Previous
Reference:
CC(84) 36th
Conclusions,
Minute 2