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CM 92/ 19th  
Conclusions

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## CABINET

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

THURSDAY 25 JUNE 1992

at 10.30 am

## P R E S E N T

The Rt Hon John Major MP  
Prime MinisterThe Rt Hon The Lord Mackay of Clashfern  
Lord ChancellorThe Rt Hon Norman Lamont MP  
Chancellor of the ExchequerThe Rt Hon Michael Heseltine MP  
President of the Board of TradeThe Rt Hon Malcolm Rifkind QC MP  
Secretary of State for DefenceThe Rt Hon Antony Newton MP  
Lord President of the CouncilThe Rt Hon Michael Howard QC MP  
Secretary of State for the EnvironmentThe Rt Hon Peter Lilley MP  
Secretary of State for Social SecurityThe Rt Hon David Mellor QC MP  
Secretary of State for National HeritageThe Rt Hon John Patten MP  
Secretary of State for EducationThe Rt Hon Gillian Shephard MP  
Secretary of State for EmploymentThe Rt Hon Douglas Hurd MP  
Secretary of State for Foreign and  
Commonwealth AffairsThe Rt Hon Kenneth Clarke QC MP  
Secretary of State for the Home DepartmentThe Rt Hon John MacGregor MP  
Secretary of State for TransportThe Rt Hon The Lord Wakeham  
Lord Privy SealThe Rt Hon John Gummer MP  
Minister of Agriculture, Fisheries and FoodThe Rt Hon David Hunt MP  
Secretary of State for WalesThe Rt Hon William Waldegrave MP  
Chancellor of the Duchy of LancasterThe Rt Hon Sir Patrick Mayhew QC MP  
Secretary of State for Northern IrelandThe Rt Hon Virginia Bottomley MP  
Secretary of State for HealthThe Rt Hon Michael Portillo MP  
Chief Secretary, Treasury

## ALSO PRESENT

The Rt Hon Richard Ryder MP  
Parliamentary Secretary, Treasury**CONFIDENTIAL**

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SECRETARIAT

Sir Robin Butler  
Miss L P Neville-Jones (Items 4 and 5)  
Mr D A Hadley (Items 4 and 5)  
Mr A M Russell (Items 1, 2 and 3)  
Mrs J M Bailey (Items 1, 2 and 3)

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PARLIAMENTARY  
AFFAIRS

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

Departmental  
Select  
Committees

THE LORD PRESIDENT OF THE COUNCIL said that agreement had now been reached with colleagues on all the structural changes to the Departmental Select Committee system needed to reflect changes in the machinery of government following the General Election. The motion to amend the relevant House of Commons Standing Order would be tabled that day, with a view to its approval the following week. The main changes were: there would no longer be an Energy Committee; there would be new Committees for National Heritage and for Science and Technology; the former Education, Science and Arts Committee would become the Education Committee, reduced in size from 13 to 11 members and without power to appoint a Sub-Committee; there would be a Scottish Affairs Committee, reduced in size from 13 to 11, bringing it into line with all the other Committees; the Treasury and Civil Service Committee would shadow the Office of Public Service and Science, excluding the Office of Science and Technology; and the Welsh Committee, of which the membership had fallen in the course of the last Parliament, would return to 11 members. Questions of chairmanship and membership would be subject to the usual processes of consultation and appointment.

The Cabinet -

Took Note.

BUSINESS OF  
THE CABINET

2. THE PRIME MINISTER said that a number of important items of business would be considered in the coming weeks: on Thursday 2 July, policy proposals for the contents of the forthcoming Education White Paper; on Thursday 9 July, reports of the Top Salaries Review Body (TSRB), reports on salaries and on office costs allowances for Members of Parliament; on Tuesday 14 July, at the end of the meeting, a discussion on party affairs; and on Thursday 23 July, public expenditure.

In the course of a brief discussion it was noted that a draft White Paper on the privatisation of British Rail would shortly be circulated. It would be helpful to have urgent comments on it to enable its publication before the Summer Recess and a brief discussion in Cabinet might be appropriate.

The Cabinet -

Took note.

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HOME AFFAIRS

Sunday Trading

Previous

Reference:

CM(91) 35.2

3. THE HOME SECRETARY said that a judgment would be given by the House of Lords later that day in the case of the Council of the Borough of Kirklees v Wickes. The case was intended to resolve the question whether or not local authorities seeking interlocutory injunctions to prevent shops from opening on Sundays were required to give cross-undertakings to pay damages if it was subsequently determined in a substantive action that the retailer was entitled to trade on Sundays. This had effectively prevented local authorities from pursuing enforcement action. There was a real chance that the House of Lords would rule that cross-undertakings were not required from local authorities, and, if so, that a significant number of authorities would contemplate going to the courts for injunctions. It was clear that Ministers would face immediate questioning on the Government's response. The Ministerial Committee on Home and Social Affairs (EDH) had discussed Sunday trading earlier that morning, and had agreed that the appropriate line to take was to reaffirm the Government's commitment to give Parliament an opportunity to consider the law on Sunday trading once the legal position had been made clear by the European Court of Justice, and that Ministers were not in a position to give indications of their policy in advance of that. In response to questions about the enforcement of the present law it should be made clear that this was a matter for local authorities, who should take their own legal advice; while if the role of the Attorney General was questioned it should be made clear that this was a matter for his personal decision, as a Law Officer. The discussion in EDH had shown that, while there was broad agreement on what the Government's basic approach should be, a number of very important aspects of the policy required further detailed consideration, and it would therefore be unwise to make any specific comments at this stage.

Recorded Crime  
Statistics

Previous

Reference:

CM(91) 37.3

THE HOME SECRETARY said that the recorded crime statistics published on the previous day had shown a further increase. This was very unwelcome, though the size of the increase nationally over the last year was slightly smaller than in the previous year. In presenting the figures attention had been drawn to some encouraging aspects, particularly in Bedfordshire where practical measures to improve car park security had resulted in the first fall in recorded crime in any police force area for two years. The figures, which related to reported crime, were an unreliable proxy for actual crime and his predecessor had intended to change publication to an annual basis. He was considering whether to proceed with this, if a change were to be made it should be done early in the Parliament.

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Northern  
Ireland

Previous  
Reference:  
CM(92) 1822

THE SECRETARY OF STATE FOR NORTHERN IRELAND said that there was at present an hiatus in the tripartite constitutional talks. The preliminary meeting to consider the agenda for Strand II had taken place as planned on 19 June, under the chairmanship of Sir Ninian Stephen, involving representatives of all the Northern Ireland parties and the United Kingdom and Irish Governments. The talks had been conducted in a good atmosphere, which was encouraging. The earlier agreement on moving to substantive Strand III talks had involved a further preliminary, in the shape of preparatory Strand III talks between the United Kingdom and Irish Governments which the Northern Ireland parties would attend as observers. It had been envisaged that this would provide the Northern Ireland parties with some reassurance on how the Strand III talks would go, before they became committed to Strand II. The Irish Government had originally agreed to take part in preparatory Strand III talks on this basis, but had now become reluctant to proceed, apparently on the grounds that the occasion might provide an opportunity for some of the Northern Ireland parties to cause them embarrassment. The meeting which had been planned for 24 June had therefore been blocked by the Irish government. He was at pains to allay their concerns, and hoped that it would be possible for the preparatory Stage III talks to take place in the following week.

HIV Infection

THE SECRETARY OF STATE FOR HEALTH said that there had been extensive publicity about a Birmingham man who had been infected with the Human Immunodeficiency Virus (HIV) as a result of treatment for haemophilia and who, it was claimed, had infected a number of women. The case served to illustrate the gravity of the threat to public health from HIV, which it was Government policy to highlight, and underlined the risk of it spreading through heterosexual intercourse. The man was now receiving counselling. Legal aspects of the matter were complex and unclear. It was possible that public health legislation might apply, though this had only been used in one case. The main difficulty was that individuals could be HIV positive for perhaps as long as 10 years while showing no outward symptoms. She was not in favour of establishing a new criminal offence of knowingly infecting someone with a disease: it was far preferable to create a climate in which those who thought they might be HIV positive came forward for testing, so that appropriate counselling and treatment could be provided.

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In a brief discussion it was noted that the idea of a new criminal offence was very unattractive. Work within the Home Office was confined to a limited study of the effectiveness of such legislation in other countries, and no proposals were being prepared for the introduction of a criminal offence in the United Kingdom.

The Cabinet -

Took note.

FOREIGN  
AFFAIRS

Yugoslavia

Previous  
Reference:  
CM(92) 18.3

4. THE FOREIGN AND COMMONWEALTH SECRETARY said that he would be circulating to colleagues a paper assessing the situation in Yugoslavia. In the preceding week, the situation in Sarajevo and the surrounding hills had continued to be the focus of attention. Sarajevo city was under fire from Serbian irregular groups armed with mortars and small arms. The United Nations (UN), which was poised to conduct a humanitarian operation, was still waiting for sufficiently benign circumstances to conduct an airlift of supplies. The UN was keen to do this, as were the Americans. The United Kingdom was actively considering what contribution might be made to such an operation. The United States were also considering other options relating to a situation in which Sarajevo airport was closed. This was against the background of strong public pressure in a number of countries including the United States, France and Germany, to take action. The caution of the United Kingdom, especially about committing ground troops, was known to other governments.

In a brief discussion, it was noted said that the arguments against the commitment of ground troops remained as formidable and convincing as ever. If however a number of countries were willing to participate in an airlift of humanitarian supplies, there was a case for British Hercules aircraft to make sorties, subject to the situation in and around Sarajevo airport.

The Cabinet -

1. Took Note.

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Republic of  
South Africa

Previous  
Reference.

CM(92) 1.3

THE FOREIGN AND COMMONWEALTH SECRETARY said that the latest news from South Africa was gloomy. Following the massacre at Boipatong on 17 June, the African National Congress (ANC) had withdrawn from the talks with the South African Government and had issued a list of demands. In the end talks would have to resume as the white community could not reimpose apartheid and the ANC could not achieve its objectives by relying on armed struggle. A turbulent period almost certainly lay ahead accompanied by such things as strikes which would do further harm to the economy. It was strongly in the interests of the international community that talks should resume soon and the Prime Minister had sent messages to both the South African President, Mr F W de Klerk, and the President of the ANC, Mr Nelson Mandela, in support of this. The ANC claimed that the South African Government was in league with the Zulu Inkatha movement in fomenting violence in the black community - an assertion for which they had not produced conclusive evidence - and wanted international involvement in the monitoring of violence. Ways in which violence might be prevented had been discussed with the Commonwealth Secretary General. A request for monitors might eventually be made, possibly to the European Community.

The Cabinet

2. Took note.

COMMUNITY  
AFFAIRS

European  
Council  
26-27 June

5. THE FOREIGN AND COMMONWEALTH SECRETARY said that the prospects for the meeting of the European Council in Lisbon had become clearer as a result of a meeting of Foreign Ministers on 20 June and the Prime Minister's meetings with the Prime Minister of Portugal, Mr Cavaco Silva, on 19 June, the Belgian Prime Minister, Mr Dehaene, on 22 June and the President of the Commission, Monsieur Delors, on 23 June. There was ground for hope that it would be a low key Council but there were areas of potential difficulty. It was important to ensure that the meeting gave a decisive push to the negotiations under the General Agreement on Tariffs and Trade (GATT), exploiting the flexibility which, contrary to what was being claimed in some quarters, existed in the United States' position on agriculture. Agreement would be needed on the next President of the Commission. His appointment would be for two years only, whether or not the Maastricht Treaty was ratified. He had to be a member of the Commission. In theory a member government could nominate a new Commissioner and at the same time propose that he should be President, but it was clear that none would do so. The choice therefore lay between the members of the present Commission. Whatever the shortcomings of Monsieur Delors,

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experience showed that it was possible to do business with him. Alternatives from among other senior members did not look attractive. Member states' views on the enlargement of the Community had evolved in a helpful direction. The European Council at Maastricht last December had linked the actual start of negotiations to agreement on the Community's future finances, but it ought to be possible to secure conclusions at Lisbon which instructed the Commission and the Council to make all necessary preparations to begin negotiations with Austria, Sweden, Finland and Switzerland, and perhaps also Norway if she applied later in the year. There would need to be an appropriate reference to Turkey, Cyprus and Malta whom it was not appropriate to include in a first wave of accessions; and the encouragement of eventual membership would need to be held out to the East European countries (Hungary, Poland and Czechoslovakia) with whom the Community had association agreements. The principle of subsidiarity, enshrined in the Maastricht Treaty, would be discussed. The reputation of the Community and the Commission for excessively detailed interference did it no good. The issue was complicated: the Foreign and Commonwealth Secretary said that he had circulated a paper to colleagues and more work needed to be done. But it was helpful that Monsieur Delors had taken the initiative in proposing significant changes in the way the Commission would operate in future. It was to be hoped that the meeting would conclude that the Commission and the Council should take this work further during the United Kingdom's Presidency. On the Community's future finances, the Presidency was reluctantly reconciled to conclusions that would be no more than guidelines, without figures, for future work during the United Kingdom's Presidency, with a view to reaching agreement at the Edinburgh European Council in December. Monsieur Delors had retreated from his initial proposals, to the dismay of member states such as Spain and Ireland, but not yet far enough to satisfy the United Kingdom, German or Dutch Governments. The Presidency might make an attempt to reach agreement on the sites of a number of existing and prospective community institutions. The United Kingdom was unlikely to be alone in arguing that a large package could not be agreed now, especially if it included locating the future European Central Bank in Germany.

In discussion it was noted that the Italian Prime Minister, Signor Andreotti, intended to raise Italy's demand for a big increase in her milk production quota. This could effectively reopen the agreement previously reached in principle on the reform of the common agricultural policy (CAP). That deal was due to be put into legal form at the Agriculture Council to be held on 30 June and 1 July. At the previous Council meeting, the French had joined the Italians in resisting the adoption of the texts, since they also wished to reopen certain aspects of

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the package. Some member states, including the United Kingdom, were strongly opposed to the Italian demand. It was essential that, if the European Council had to reach any conclusion on this point, it should not instruct the Agriculture Council to find a solution to the Italian quota problem at its next meeting. That would be likely to result in the whole package falling apart.

THE PRIME MINISTER, summing up the discussion, said that, as usual, the prospects for the European Council were unclear; unexpected issues could always be raised. He had made his views known to Mr Cavaco Silva, and had underlined the unacceptability of the deal that the Presidency seemed to envisage on the sites of the institutions. As for the next President of the Commission, it would be best to see how discussion developed. Other member states were likely to favour the reappointment of Monsieur Delors. If so, it was probably not advantageous for the United Kingdom to refuse to join the consensus, especially as other possible candidates could well turn out to be worse.

#### The Cabinet

1. Took note, with approval, of the Prime Minister's summing up of their discussion, including the line he proposed to take on the next President of the Commission.

GATT  
Negotiations

Previous  
Reference:  
CM(92) 12.5

THE PRESIDENT OF THE BOARD OF TRADE said that agreement on the reform of the CAP should have removed the barriers to reaching agreement on the key issue of agriculture in the negotiations: work would then be needed on other aspects of the deal, but there was a general expectation that these would fall into place if agriculture was settled. The remaining differences on agriculture were small and should easily be bridged. But evidently the negotiations had been caught up in other Community issues. In particular the French Government appeared to believe that reaching an agreement in the GATT on agriculture would be regarded as yielding to United States pressure and would therefore damage the Government's chances of winning their referendum on the ratification of the Maastricht Treaty. Monsieur Delors had appeared to share this view and to have concluded that progress could not be made at the moment. In logic, the French Government ought to accept that their farmers would not suffer significantly more as a result of a settlement

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in the GATT than would in any event flow from CAP reform, while the rest of the economy would make substantial gains. The German Chancellor, Herr Kohl, was the key to persuading the French President but it seemed that he had not yet exerted his full effort. If the French President were persuaded to go along with a GATT agreement on agriculture, he might well exact a price, for example on the sites of Community institutions, which would in turn cause problems for the United Kingdom.

In a brief discussion it was noted that the agreement on CAP reform was not yet wholly secure, given that the French Minister of Agriculture was trying to secure a number of changes for the benefit of France. Chancellor Kohl's wish that the forthcoming meeting of the Group of Seven countries, which he would chair, should not be disrupted by an argument on the GATT negotiations ought to induce him to do everything possible to reach an early settlement. It would be in the United Kingdom's interest if the settlement required the reduction, if only after the initial period of 6 years, of the compensation payments to farmers that were a feature of the CAP deal.

United Kingdom  
Presidency  
of the  
Community

THE PRIME MINISTER reminded the Cabinet that the United Kingdom Presidency would begin on 1 July. All members of the Commission would be visiting London on that day and a number of members of the Cabinet would be involved in meeting them. He hoped that the meetings would set the tone for what the Government hoped to achieve during its Presidency.

Social Affairs  
Council,  
23-24 June

THE SECRETARY OF STATE FOR EMPLOYMENT said that the meeting of the Social Affairs Council on the previous day had ended without the proposed Directive on Working Time being agreed. She had succeeded in amending the text to achieve the three main objectives: it was established that those wishing to work more than 48 hours per week would be permitted to do so, and this provision would be reviewed without prejudice in 2002 at the earliest; work on Sundays would be permitted where those concerned wished to or where there was need; and collective bargaining could take place at factory level. She was grateful to the Prime Minister and other colleagues for the intensive contacts with other member states, which had helped to secure this satisfactory result. Agreement had been prevented by a dispute between France and Germany concerning the reference

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period over which working time should be averaged for the purposes of the 48 hour provision. At one point Mrs Papandreou, the Social Affairs Commissioner, had even suggested that the only solution would be to delete that provision entirely. As things stood, the dispute was remitted for further technical discussion, which would take place under United Kingdom chairmanship. The directive on pregnant workers had similarly not been agreed because Italy had not been prepared to join the other member states in rejecting the Commission's revised proposal and reinstating the Council's common position. The Commission would now consider whether it could amend its revised proposal by abandoning some of the changes for which the European Parliament had pressed.

In a brief discussion it was noted that recent advice from the Law Officers had cast doubt on the previous interpretation of one of the key provisions of the pregnant workers directive and raised important public expenditure implications.

Transport  
Council  
22-23 June

THE SECRETARY OF STATE FOR TRANSPORT said that the Transport Council had reached agreement on directives liberalising aviation, road passenger transport and maritime cabotage. Some issues had been under negotiation for as long as 10 years. The outcome was very satisfactory. Almost all protective measures in the aviation sector would be removed on 1 January 1993. This would represent a major liberalisation of the market, although, given the structure of the aviation industry, the effects would take time to work through. In road passenger transport, liberalisation would be achieved in stages during the 1990s. The United Kingdom had voted against the maritime cabotage measure because of certain unsatisfactory features, but it would nevertheless represent a substantial improvement on the present position. Pressure from some member states for a shipping register which would have imposed detailed and unnecessary requirements had been successfully resisted. It remained to secure a measure liberalising road haulage transport. This would be pursued during the United Kingdom Presidency. The task would be difficult, given the German government's strong views about the need for fiscal harmonisation in this sector.

Implementation  
of Community  
measures

THE PRESIDENT OF THE BOARD OF TRADE said that the Commission had recently produced a new table showing the relative performance of member states in the transposition of Community directives into national law. The United Kingdom had fallen to ninth place

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in the league table. This was largely because a number of member states, previously lagging, had recently made big efforts to improve their performance. Moreover a comparatively small improvement in implementation by the United Kingdom would lift it significantly higher up the table. He intended to circulate a list of all outstanding directives and ask colleagues for the dates by which they expected implementation to be complete. He understood that the need for primary legislation was a factor in only a few cases.

In discussion it was noted that, although implementation was important, in some cases there were genuine difficulties: the real need was for Community measures to be enforced after implementation. The Government should continue its campaign to secure proper enforcement across the whole Community.

French and  
British fishing  
vessels

THE MINISTER OF AGRICULTURE FISHERIES AND FOOD said that there had been an incident between British and French fishing fleets of the Isles of Scilly. It seemed that damage had been caused to the fishing gear of both parties and missiles had been thrown. The Royal Navy had intervened to keep the boats apart. It seemed that the British vessels had alerted the Press, even before calling in the Navy. It might well prove that there had been faults on both sides. Although the intervention of the Royal Navy had been helpful the incident was not conclusive evidence of the need for the Navy to remain responsible for fisheries protection.

The Cabinet -

2. Took note.

Cabinet Office

25 June 1992

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