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CABINET

MINUTES OF MEETING

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
1st	16.1.92		1.PARLIAMENTARY AFFAIRS Debate on Ravenscraig 2.HOME AFFAIRS Labour Market Statistics Mortgage Interest Rates Competition in the Gas Industry Political Talks in Northern Ireland Admissibility of Computerised Evidence in Magistrates' Courts Letter from the Opposition Transport Spokesman to the Chairman of British Rail 3.FOREIGN AFFAIRS The Former Soviet Republics Yugoslavia 4.COMMUNITY AFFAIRS Foreign Affairs Council, 10 January Treaty on European Union United Kingdom's Presidency of the Community GATT Negotiations

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
2nd	23.1.92		1.PARLIAMENTARY AFFAIRS Wild Mammals (Protection) Bill 2.HOME AFFAIRS Admissibility of Computerised Evidence in Magistrates' Courts 3.FOREIGN AFFAIRS Visit to the Commonwealth of Independent States, 18-20 January Washington Conference on Assistance to the Commonwealth of Independent States, 21-22 January Visit to India, 15-18 January Visit to the Gulf by Secretary of State for Defence, 18-22 January 4.COMMUNITY AFFAIRS Treaty on European Union GATT Negotiations United Kingdom Presidency of the Community New York, 25 January

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
3rd	28.1.92		1.PARLIAMENTARY AFFAIRS 2.HOME AFFAIRS Admissibility of Computerised Evidence in Magistrates' Courts Reserve Forces 3.FOREIGN AFFAIRS President Yeltsin's Visit to London, 30 January Meeting of Group of Seven in New York, 25 January President Yeltsin's Visit to London: Nuclear Reductions President Bush's State of the Union Message: Force Reductions Visit to Mexico by the Secretary of State for Trade and Industry, 18-23 January 4.COMMUNITY AFFAIRS GATT Round

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
4th	6.2.92		1. 40th ANNIVERSARY OF THE QUEEN'S ACCESSION TO THE THRONE 2. PARLIAMENTARY AFFAIRS Further and Higher Education Bill and Further and Higher Education (Scotland) Bill 3. HOME AFFAIRS Monopolies and Merger Commission Report on New Cars and Car Parts Northern Ireland The Future of 2 Marsham Street 4. FOREIGN AFFAIRS President Yeltsin's visit to London, 30 January Special Meeting of the United Nations Security Council, 31 January 5. COMMUNITY AFFAIRS Discussion with President of the Commission The Common Agricultural Policy GATT Negotiations British Aerospace

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
5th	13.2.92		1.PARLIAMENTARY AFFAIRS Local Government Bill 2.HOME AFFAIRS Legal Aid Prescription Charges Labour Market Statistics City Challenge Northern Ireland 3.FOREIGN AFFAIRS Yugoslavia The Lockerbie Air Crash Former Soviet Union: Nuclear Security British Troops in Germany 4.COMMUNITY AFFAIRS The Community's Future Finances The Common Agricultural Policy

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
6th	20.2.92		1. PARLIAMENTARY AFFAIRS Select Committee on Sittings of the House 2. FOREIGN AFFAIRS Armed Forces of the Former Soviet Union Yugoslavia Conference of Central and East European Ministers of Labour, 24/25 February 1992 3. COMMUNITY AFFAIRS European Economic Area 4. ECONOMIC STRATEGY

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
7th	27.2.92		1. PARLIAMENTARY AFFAIRS Debate on Asylum and Immigration 2. HOME AFFAIRS Northern Ireland British Airways Defence Redundancies 3. FOREIGN AFFAIRS Referendum in Republic of South Africa Yugoslavia Conference of Central and East European Ministers of Labour, 24/25 February Former Soviet Union: Nuclear Assistance 4. COMMUNITY AFFAIRS Agriculture Council, 2-3 March

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
8th	5.3.92		1.PARLIAMENTARY AFFAIRS Education (Schools) Bill Local Government Bill and Local Government Finance Bill Legislative Programme 1992/93 Representation of the People Bill 2.HOME AFFAIRS British Rail Passenger's Charter Northern Ireland 3.FOREIGN AFFAIRS Iraq The Lockerbie Air Crash Situation in Yugoslavia 4th Preparatory Meeting for the United Nations Conference on the Environment and Development in New York 4.COMMUNITY AFFAIRS Foreign Affairs Council, 2 March The Common Agricultural Policy GATT Negotiations Bathing Water Standards

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
9th	10.3.92		THE BUDGET

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
10th	11.3.92		1.THE BUDGET 2.DISSOLUTION OF PARLIAMENT AND GENERAL ELECTION 3.PARLIAMENTARY BUSINESS

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
11th	12.3.92		1.PARLIAMENTARY AFFAIRS Legislative Programme 1991/92 Asylum Bill 2.HOME AFFAIRS Payment of Income Support on Mortgage Interest Northern Ireland Labour Market Statistics Trust Ports Privatisation British Technology Group 3.FOREIGN AFFAIRS Iraq The Lockerbie Air Crash Yugoslavia 4.COMMUNITY AFFAIRS Agriculture Council, 30-31 March Social Affairs Council, 6 April Conference of European Aviation Ministers GATT Negotiations Community Meetings during the Election Campaign

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
12th	15.4.92		1.THE NEW GOVERNMENT 2.PARLIAMENTARY AFFAIRS Attendance at the House of ~~House~~ Commons Queen's Speech and Legislative Programme 1992-93 3.HOME AFFAIRS Terrorist Incidents in London and Derby, 10-13 April Labour Market Statistics Citizen's Charter 4.FOREIGN AFFAIRS Yugoslavia Iraq The Lockerbie Air Crash: Libya 5.COMMUNITY AFFAIRS Forthcoming Community Business European Economic Summit GATT Negotiations Social Affairs Council, 30 April

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
13th	30.4.92		1. HOME AFFAIRS Carbon Dioxide Emissions Midland Bank plc Northern Ireland 2. FOREIGN AFFAIRS Yugoslavia Visit to Turkey by the Foreign and Commonwealth Secretary, 21-22 April Germany Meetings of the Groups of Seven and Ten and of the IMF and World Bank 3. COMMUNITY AFFAIRS Social Affairs Council, 30 April Common Agricultural Policy
		2	4. THE LEGISLATIVE PROGRAMME 1992-93
		3	5. THE QUEEN'S SPEECH ON THE OPENING OF PARLIAMENT

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
14th	7.5.92		1. THE HEAD OF THE PRIME MINISTER'S OFFICE 2. PARLIAMENTARY AFFAIRS The Whitsun Recess 3. HOME AFFAIRS Intelligence Work Foreign and Commonwealth Secretary's Meetings in Prague, 5 May Iraq EXPO '92 5. COMMUNITY AFFAIRS Community Enlargement National Insurance Contributions: Expected European Court Judgement Joint Environment/Development Council, 5 May Social Affairs Council, ~~30 April~~ 5 May

* Inset.

The Secret Intelligence Service

Hong Kong Airport Fixed Crossing

Interest Rates

4. FOREIGN AFFAIRS

Yugoslavia.

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
15th	14.5.92	LCA	1.PARLIAMENTARY AFFAIRS 2.HOME AFFAIRS Maxwell Pension Funds National Insurance Contributions: Expected European Court Judgement Labour Market Statistics Northern Ireland Charge Capping Public Expenditure 3.FOREIGN AFFAIRS Yugoslavia European Defence The Gulf War: Friendly Fire Incident 4.COMMUNITY AFFAIRS Foreign Affairs Council, 11 May Community Enlargement Informal Economic and Finance Ministers Council, 8-10 May 5.MINISTERIAL ARRANGEMENTS Ministerial Visits to Regions of the United Kingdom

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
16th	21.5.92		1.PARLIAMENTARY AFFAIRS 2.HOME AFFAIRS Retail Price Index Police Management and Pay Capital Expenditure by Manufacturing Industry 3.FOREIGN AFFAIRS Yugoslavia Nagorro Karabakh Drought in Southern Africa Visit to the Middle East by the Foreign and Commonwealth Secretary, 15-17 May 1992 The Gulf War: Friendly Fire Incident 4.COMMUNITY AFFAIRS Common Agricultural Policy Council of Economic and Finance Ministers, 19 May 1992

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
17th	4.6.92		1.PARLIAMENTARY AFFAIRS Debate on the United Nations Conference on Environment and Development: 3 June 1992 2.HOME AFFAIRS Northern Ireland 3.FOREIGN AFFAIRS Yugoslavia European Fighter Aircraft 4.COMMUNITY AFFAIRS Treaty on European Union Common Agricultural Policy

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
18th	18.6.92		1.PARLIAMENTARY AFFAIRS House of Commons Business 2.HOME AFFAIRS Labour Market Statistics Northern Ireland 3.FOREIGN AFFAIRS Yugoslavia Strategic Arms Reduction Agreement Situation in Czechoslovakia HM The Queen's State Visit to France 4.COMMUNITY AFFAIRS Foreign Affairs Council, 15 June Council of Economic and Finance Ministers, 9 June Agriculture Council, 15-16 June Meeting of Immigration Ministers, 11 June Industry Council, 17 June
		6 OPD(92)6	5.STATEMENT ON THE DEFENCE ESTIMATES 1992

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
19th	25.6.92		1.PARLIAMENTARY AFFAIRS Departmental Select Committees 2.BUSINESS OF THE CABINET 3.HOME AFFAIRS Sunday Trading Recorded Crime Statistics Northern Ireland HIV Infection 4.FOREIGN AFFAIRS Yugoslavia Republic of South Africa 5.COMMUNITY AFFAIRS European Council, 26-27 June GATT Negotiations United Kingdom Presidency of the Community Social Affairs Council, 23-24 June Transport Council, 22-23 June Implementation of Community Measures French and British Fishing Vessels

No. of Meeting	Date of Meeting	Papers Considered	Subjects Discussed
20th	2.7.92		1. PARLIAMENTARY BUSINESS Statements before the Summer Recess National Insurance Contributions: Expected European Court Judgement 2. HOME AFFAIRS British Rail Privatisation White Paper Restructuring the Department of Trade and Industry Northern Ireland 3. FOREIGN AFFAIRS Yugoslavia Norwegian Decision to Renew Whaling European Fighter Aircraft 4. COMMUNITY AFFAIRS European Council, 26-27 June Sites of Community Institutions Commission's Visit to London Economic and Finance Council, 29 June Agriculture Council, 30 June 5. EDUCATION WHITE PAPER: POLICY ISSUES

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Conclusions

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CABINET

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

THURSDAY 16 JANUARY 1992

at 10.30 am

PRESENT

The Rt Hon John Major MP
Prime Minister

The Rt Hon The Lord Mackay of Clashfern
Lord Chancellor

The Rt Hon Kenneth Baker MP
Secretary of State for the Home Department

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment

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

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

The Rt Hon Antony Newton MP
Secretary of State for Social Security

The Rt Hon Peter Brooke MP
Secretary of State for Northern Ireland

The Rt Hon Michael Howard QC MP
Secretary of State for Employment

The Rt Hon Peter Lilley MP
Secretary of State for Trade and Industry

The Rt Hon Ian Lang MP
Secretary of State for Scotland

The Rt Hon The Lord Waddington QC
Lord Privy Seal

The Rt Hon Norman Lamont MP
Chancellor of the Exchequer

The Rt Hon Tom King MP
Secretary of State for Defence

The Rt Hon John MacGregor MP
Lord President of the Council

The Rt Hon John Wakeham MP
Secretary of State for Energy

The Rt Hon Christopher Patten MP
Chancellor of the Duchy of Lancaster

The Rt Hon John Gummer MP
Minister of Agriculture, Fisheries and Food

The Rt Hon David Hunt MP
Secretary of State for Wales

The Rt Hon William Waldegrave MP
Secretary of State for Health

The Rt Hon David Mellor QC MP
Chief Secretary, Treasury

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ALSO PRESENT

The Rt Hon Richard Ryder MP
Parliamentary Secretary, Treasury

The Rt Hon Tristan Garel-Jones MP
Minister of State for Foreign and Commonwealth Affairs

SECRETARIAT

Sir Robin Butler
Mr D A Hadley (Items 3 and 4)
Mr W S Reeves (Items 3 and 4)
Mr A M Russell (Items 1 and 2)
Mrs J M Bailey (Items 1 and 2)

C O N T E N T S

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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.

Debate on Ravenscraig

THE SECRETARY OF STATE FOR SCOTLAND said that he was grateful to colleagues for their quick response to the announcement by British Steel of the closures of the Ravenscraig Steel Works in Lanarkshire, and in particular for agreement to the proposal that an enterprise zone should be created. This had been helpful to him in presenting the Government's position following the announcement and in response to a Private Notice Question in the House of Commons earlier in the week. Ravenscraig had been chosen as the subject for debate in the second half of the Opposition Day scheduled for Thursday 23 January. The Labour Party appeared to be making no commitment to keep Ravenscraig open and to have abandoned an earlier commitment to renationalisation. The main thrust of their attack on the Government was confined to matters such as the timing of the decision to propose an enterprise zone, and the Opposition spokesman on Trade and Industry had had no alternative policy when directly challenged during Trade and Industry questions on the previous day. The Labour Party were under pressure from their trade union supporters and from the Scottish National Party, the latter advocating renationalisation; and the planned debate could be more embarrassing for them than for the Government.

The Cabinet -

Took note.

HOME AFFAIRS

Labour Market Statistics

Previous Reference CM(91) 38.2

2. THE SECRETARY OF STATE FOR EMPLOYMENT said that the unemployment statistics to be published later that day showed an increase of 31,100 in seasonally adjusted unemployment in December to 2,546,000 giving a rate of 9 per cent of the work force. This was the highest level for four years, although the December rise was the second lowest for fifteen months. The unadjusted total had increased by 79,932 in December to 2,552,000. Also to be published that day were the figures of the workforce in employment for September 1991. These showed another sharp fall of 232,000 since June 1991, to a level of 25,940,000, the lowest figure since June 1988. The number of employees in manufacturing industry continued to fall and was now 4,653,000. Recent figures had, however, shown a decelerating rate of decline: since August 1991, the average monthly fall had dropped to 19,000 per month, less than two-

thirds of the average monthly fall earlier in the year. The number of unfilled vacancies at Jobcentres had risen in December by 14,000, the biggest monthly increase since current records had begun in 1980. Productivity in the third quarter of 1991 showed productivity 0.9 per cent higher than in the previous quarter, the largest increase for 15 months, and the annual rate of increase in unit wage costs had fallen in the third quarter, the second successive quarterly fall. These were encouraging signs for the competitiveness of the United Kingdom economy and for future prospects for jobs. Other figures to be published that day showed that it was provisionally estimated that there were 35 stoppages and 45,000 working days lost through strikes in November 1991. The number of stoppages was the lowest November figure for more than half a century, and the number of working days lost in the year to November 1991, at 0.8 million, was about one-tenth of the corresponding average for the 1980s.

Mortgage Interest Rates

THE CHANCELLOR OF THE EXCHEQUER said that Abbey National Plc had announced that morning that they would be reducing their mortgage rate interest by 0.56 per cent, giving a rate of 10.99 per cent. The reduction would have an immediate effect for new borrowers, and would apply to existing borrowers from 1 March 1992 although notices would not be sent out before the Budget. The reduction was equivalent to around £10 per month on a mortgage of £30,000. It was not yet clear how other mortgage lenders would respond to this development: they might well follow, but not immediately.

Competition in the Gas Industry

THE SECRETARY OF STATE FOR ENERGY said that agreement had been reached on the previous day between British Gas, the Office of Fair Trading (OFT) and the Office of Gas Supply (OFGAS) on a number of measures to improve competition in the supply of gas. The agreement included confirmation that, with effect from April 1992, tariffs for domestic gas customers would be determined in accordance with the "Retail Price Index (RPI) minus 5" formula. There would be much greater competition in the industrial gas market, with the British Gas share down to 40 per cent by 1995 and there would be a reduction to 10,000 therms in the level below which British Gas were monopoly suppliers. As a further aid to competition, British Gas would account separately for their transmission and storage operations. Details of the undertakings would be finalised over the next few weeks. In the past British Gas had on a number of occasions agreed publicly and privately to make concessions on greater competition and had subsequently gone back on them; and so it was welcome that firm

agreement had been reached on this occasion. It was particularly welcome that a controversial reference to the Monopolies and Mergers Commission had been avoided.

In the course of a brief discussion it was noted that, depending on changes in the price at which British Gas could purchase their supplies, the "RPI minus 5" formula could, in times of low inflation, lead to a price reduction for domestic consumers.

Political Talks in Northern Ireland

Previous Reference: CM(91) 38.2

THE SECRETARY OF STATE FOR NORTHERN IRELAND said that his efforts continued to find a basis on which the all-party talks on political development in Northern Ireland might be resumed. Unfounded speculation that the Government were seeking Unionist support in the event of a hung Parliament had provided Mr John Hume, leader of the Social Democratic and Labour Party, with a reason to be uncooperative, and there were signs that he had influenced the Irish Government to be less helpful since Christmas. Suggestions that the Unionist parties might not cooperate with a future Labour Government had provoked outrage on the part of the Opposition spokesman, some of which had been directed against the Irish Government. The Secretary of State for Northern Ireland would be meeting Mr Hume later that day, but it would be premature to seek to arrange a general meeting with all the parties.

Admissibility of Computerised Evidence in Magistrates Courts

THE HOME SECRETARY said there had recently been some unhelpful decisions in Magistrates Courts, in cases where alleged non-payers of the community charge had contested liability orders, when the view had been taken that computer records were inadmissible as evidence of non-payment of the charge. If this view were to be taken by magistrates more generally, there would be serious implications for local authorities' efforts to deal with non-payment of the charge. He was considering urgently with the Law Officers whether it was necessary to amend the law.

In discussion it was noted that the matter was not straightforward. There were doubts about whether legislation was necessary and, if it was, whether this would have any adverse implications for earlier decisions by Magistrates Courts in which computer evidence had been accepted. It was clear that the problem must be resolved quickly, and any necessary legislation dealt with as a matter of urgency.

Letter from the Opposition Transport Spokesman to the Chairman of British Rail

THE SECRETARY OF STATE FOR TRANSPORT said that the Opposition Transport Spokesman, Mr John Prescott MP, had written to the Chairman of British Rail on 14 January 1992 about the Labour Party's proposals for rail investment. The terms of the letter were unusual: it was written in the form of an instruction, to the effect that from the first day of a Labour government British Rail would be required to invest in particular schemes, which were expected to cost some £700 million in capital expenditure and more than £100 million in recurring annual expenditure. The letter gave no details of how the investment was to be funded, although, at a press conference publicising the letter, Mr Prescott had conceded that this might require additional taxation. The Secretary of State for Transport would be writing an open letter to the Shadow Chancellor of the Exchequer inviting him to clarify this matter.

The Cabinet -

Took Note.

FOREIGN AFFAIRS

The former Soviet Republics

Previous Reference: CM(91) 38.3

3. THE MINISTER OF STATE, FOREIGN AND COMMONWEALTH OFFICE (MR GAREL-JONES) said that, following a visit to India, the Foreign and Commonwealth Secretary would be visiting Kazakhstan, the Ukraine and Russia from 18-20 January to develop bilateral relations with their governments and to assess their security, political and economic situations. He would be the first major Western Foreign Minister to follow this itinerary since the dissolution of the Soviet Union at the end of 1991. In his discussions with leaders of the former Soviet republics he would be stressing the importance of preventing proliferation of nuclear, biological and chemical weapons and technology, and of early accession by the republics to the Non-Proliferation Treaty and other relevant treaties. The position of the Government of Kazakhstan was causing concern. They appeared to be trying to use the presence of strategic nuclear weapons on their soil as a bargaining counter, although they did not in fact control them and had earlier stated their intention of renouncing nuclear weapons. The West would need to maintain pressure on Kazakhstan to ensure that this intention was carried out. The United States Under-Secretary of State, Mr Bartholemew, was also touring republican capitals to discuss nuclear and other matters.

Continuing, THE MINISTER OF STATE, FOREIGN AND COMMONWEALTH OFFICE said that the President of the Russian Federation, Mr Yeltsin, would be visiting London on 30 January en route to a meeting of the United Nations Security Council in New York. It was clear that he would be seeking substantial Western economic

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