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188/87th  
Conclusions

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CABINET

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

THURSDAY 1 DECEMBER 1988

at 10.45 am

P R E S E N T

The Rt Hon Margaret Thatcher MP  
Prime Minister

The Rt Hon Sir Geoffrey Howe QC MP  
Secretary of State for Foreign and  
Commonwealth Affairs

The Rt Hon Nigel Lawson MP  
Chancellor of the Exchequer

The Rt Hon Lord Mackay of Clashfern  
Lord Chancellor

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

The Rt Hon Peter Walker MP  
Secretary of State for Wales

The Rt Hon Norman Fowler MP  
Secretary of State for Employment

The Rt Hon Tom King MP  
Secretary of State for Northern Ireland

The Rt Hon Nicholas Ridley MP  
Secretary of State for the Environment

The Rt Hon Lord Young of Graffham  
Secretary of State for Trade and Industry

The Rt Hon Kenneth Baker MP  
Secretary of State for Education

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

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 John Moore MP  
Secretary of State for Social Security

The Rt Hon John Wakeham MP  
Lord President of the Council

The Rt Hon The Lord Belstead  
Lord Privy Seal

The Rt Hon Cecil Parkinson MP  
Secretary of State for Energy

The Rt Hon John Major MP  
Chief Secretary, Treasury

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

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THE FOLLOWING WERE ALSO PRESENT

The Rt Hon David Waddington QC MP  
Parliamentary Secretary, Treasury

The Rt Hon Peter Brooke MP  
Paymaster General

The Rt Hon Patrick Mayhew QC MP  
Attorney General (Item 1)

SECRETARIAT

Sir Robin Butler  
Mr R G Lavelle (Items 2 and 3)  
Mr P J Weston (Items 2 and 3)  
Mr A J Langdon (Item 1)  
Mr S S Mundy (Item 1)

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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.

Requests  
for the  
Extradition  
of Patrick  
Ryan

THE ATTORNEY GENERAL said that he understood that the Opposition were pressing for him to make a statement in the House of Commons about the case of the former Roman Catholic priest, Patrick Ryan, and that if a statement were not volunteered the Speaker was likely to grant a Private Notice Question. His own preference would be to deal with the matter through a Private Notice Question, since he did not wish to appear to be responding to a misguided comment attributed to the Speaker that the House of Commons should have been informed of facts given to the media. Whichever route was adopted, however, he would welcome the opportunity to give a full account of the events in this case since the previous Friday, when the Belgian Government had refused the extradition request for Ryan and had instead repatriated him to the Irish Republic. A great deal of distorted information was being put about in connection with this case, but the basic facts were simple. Ryan, who had been picked up by the Belgian authorities in the summer, was wanted for trial in this country on a number of serious charges reflecting deep involvement with the Provisional Irish Republican Army (PIRA). When it began to appear that the Belgian authorities might not accede to the extradition request, preparation was undertaken of the papers that would be needed to support a request to the Irish Republic in the event that Ryan was sent to that country. As soon as it was learned that Ryan was, in fact, being sent to the Irish Republic, all the necessary documentation was immediately sent to the Irish Attorney General to enable him to take the necessary steps for a provisional warrant for Ryan's arrest to be executed by the Gardai. These documents included warrants for Ryan's arrest; a statement of facts alleged; a statement of the law; and a certificate by himself of the intention to prosecute Ryan, based upon a sufficiency of admissible evidence. These documents were sent to the Irish authorities by fax transmission at 6.25 pm on Friday 25 November, and the original documents were delivered to the authorities in Dublin on the following morning. He himself could not get a response to telephone calls to the Irish Attorney General during the weekend but eventually succeeded in speaking to him at 10.30 am on Monday 28 November to stress that speed was of the essence if Ryan were to be arrested before he went to ground: in the event, Ryan left hospital at noon that day, though the British authorities had not been informed of this until five hours later. Although it was being suggested that there were defects in the documentation that had been supplied to the Irish authorities, that was not the case. Two incidents were, however, being misrepresented. First, the useful working practice had grown up of sending the Irish Attorney General's office draft warrants in extradition cases for any comments they might wish to offer in advance of the actual warrants being prepared. That practice had been followed in this case, and the Irish Attorney General's Department had made two minor suggestions, which were both taken into account in the final warrants. Second, when the warrants were certified at Bow Street, the

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Clerk of the Court had failed to date the certificate: an Irish official had given an assurance by telephone on Saturday 26 November that this defect was not serious, and could be rectified on the following Monday, but, in the event, it was rectified immediately, on the same day. The overall situation, therefore, was that the Irish Attorney General had for 5½ days been in possession of all the documents enabling a provisional warrant to be issued for Ryan's arrest, and had failed to take any action whatsoever, even to the extent of making comments or queries on the documents. Effective extradition arrangements required swift decision-making, as was exemplified by the fact that provisional arrest warrants only had a validity of 3 days. The Irish authorities' total inability to act in a timely fashion in the present case made it clear that we had been on sound ground when we had objected at the time to the fact that the Irish Attorney General was given a role in the Irish extradition legislation in 1987.

In discussion, the following main points were made:

a. It appeared that the Belgian courts were prepared to authorise Ryan's surrender and that the Belgian Cabinet had decided the matter on mainly political considerations. This was deplorable, and was in marked contrast to the way in which the Home Secretary had dealt with the extradition to Belgium of those charged with offences in the Heysel football stadium disaster. It should, however, be borne in mind that the religious dimension loomed large in Belgian politics and that the Belgian Government was a new coalition that had no experience in facing up to tests such as a hunger strike by a former Roman Catholic priest. With hindsight, it might have been better if, without trespassing on the proper rights of jurisdiction of the Belgian authorities in this case, more had been done to brief the Belgian and other governments in a similar position about the nature of the terrorist threat and the vital need to stand up to it. The Home Secretary had earlier that week left a visiting delegation of Belgian parliamentarians in no doubt about the strength of the Government's feelings, but the delegation were muddled and understandably defensive.

b. Ryan's arrival in the Irish Republic came at an awkward time for the Irish authorities, since it happened late on a Friday and the Taoiseach and the Tanaiste were both still recovering from their illnesses. Initially, the Irish authorities may also have felt that the action taken by the Belgian Government indicated that there was some major flaw in the case being presented for Ryan's surrender. Since then, however, Ryan's importance had been made quite clear to the Irish Government and it had been pointed out to them that he was undoubtedly in possession of a great deal of vital information for combatting terrorism in the Irish Republic as well as the United Kingdom. Despite this, the Irish authorities had allowed Ryan to go to ground and it now appeared unlikely that they would reach a decision in the case at least until the debates in the Dail on the renewal of the Irish extradition legislation on

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the following Tuesday and Wednesday. This behaviour raised doubts about their compliance with the spirit of the Anglo-Irish Agreement, and made it difficult to defend the Agreement against a growing number of critics.

c. Extradition was a peculiarly emotive matter in Irish politics and the Ryan case contained all the ingredients for a major political dispute, which would delight PIRA. While the Government could clearly not betray any hint of weakness in pursuing the Ryan case, it was equally important that the damage to broader objectives should be limited so far as possible. Our larger aim was to ensure that the arrangements for bringing terrorist suspects to trial worked efficiently throughout Europe, including the Irish Republic. It should also be borne in mind that the Anglo-Irish Agreement had led to much improved cooperation between police forces on a range of security matters not involving extradition. Against that background, it would be best for any account offered by the Attorney General to refrain from speculating about the motives of the Irish authorities and to limit itself to a cool recital of the facts, which spoke for themselves.

d. Some Government supporters had spoken of Ryan as though his guilt had been proved, and this had been used to support claims that Irish terrorist suspects could not expect a fair trial in the United Kingdom. In answering questions in the House of Commons on 29 November the Prime Minister had been careful to make it clear that it was for the courts to pronounce on guilt and innocence, and it was important that anyone speaking on behalf of the Government should be scrupulous on this point.

THE PRIME MINISTER, summing up the discussion, said that the behaviour of the Irish authorities in the Ryan case sapped confidence in their willingness to combat terrorism in the spirit of the Anglo-Irish Agreement, and made that Agreement appear to many as a hollow sham. Excuses made on behalf of the Belgian and Irish authorities for failing to take the action that had been requested of them in this case showed an under-estimation of the terrorist threat. The Government should not be deflected. The Cabinet agreed that, in order to dispel widespread misinterpretations, it would be helpful if the Attorney General could that day give the House of Commons a factual account of the handling of the request for Ryan's surrender that had been made to the Irish authorities. The Lord President should arrange for the Speaker of the House of Commons to be informed that the Attorney General would be glad to answer a Private Notice Question on the matter.

The Cabinet -

1. Endorsed the Prime Minister's summing up of the discussion and invited the Lord President of the Council and the Attorney General to proceed accordingly.

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pects

THE HOME SECRETARY said that the European Court of Human Rights had ruled earlier that week in the case of Brogan and others v the United Kingdom that detention of a terrorist suspect for four days and six hours under the Prevention of Terrorism Act was contrary to Article 5 of the European Convention on Human Rights. This represented an even stricter view than that of the European Commission on Human Rights which had advised that detention was permissible for up to five days. He was clear that a solution would need to be found which would continue to enable terrorist suspects to be detained for an adequate period. He would send the Prime Minister a note of the options, which she might wish to discuss with colleagues most closely concerned. He would be expected to give a broad indication of the Government's intentions in the debate on the Second Reading of the Prevention of Terrorism (Temporary Provisions) Bill on Tuesday 6 December.

In discussion the point was made that a number of members of the European Court of Human Rights were not from judicial backgrounds. It was open to question whether it was acceptable for members of the Court, which exercised an important judicial function, to include persons with no judicial experience in their domestic courts.

THE PRIME MINISTER, summing up the discussion, said that the European Court of Human Rights could not be relied upon to bring to bear a full appreciation of the basis for some of the United Kingdom's legal requirements. The Home Secretary should bring forward proposals for responding to the Court's judgement on powers of detention, in the way which he had indicated.

The Cabinet -

2. Took note, with approval, of the Prime Minister's summing up and invited the Home Secretary to proceed accordingly.

aining and  
ployment

The Cabinet had a discussion about training and employment. The discussion is recorded separately.

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FAIRS

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ference:

C(88) 32.3

2. THE FOREIGN AND COMMONWEALTH SECRETARY said that the United States decision not to grant a visa to the leader of the Palestine Liberation Organisation, Mr Yasser Arafat, permitting him to go to New York to address the United Nations General Assembly, appeared to have been taken personally by the United States Secretary of State, Mr George Shultz, without consultation with others in the Administration. It had since been discussed in the United Nations. The United Kingdom had abstained on the General Assembly Resolution condemning the United States because the language of the Resolution was too strong. It was important that the United Kingdom maintain a reputation for balanced judgment and

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thereby preserve its ability to influence the thinking of the United States Administration. There had been some disappointment among the Arabs at the United Kingdom's abstention. It now seemed probable that the General Assembly would transfer its debate on the Palestinian issue to Geneva in order to permit Mr Arafat to participate. The United Kingdom would attend the Geneva session and would treat the agenda there on its merits. The member states of the European Community had all adopted the same position on the substance of the United States decision, subject only to the United Kingdom's reservation on the language of the Resolution.

Soviet Union  
previous  
reference:  
C(88) 36.3

THE FOREIGN AND COMMONWEALTH SECRETARY said that the current meeting of the Supreme Soviet in Moscow was a substantial session. It would consider the constitutional changes proposed by President Gorbachev at the party conference of the Communist Party of the Soviet Union in June: that is to say the election of an Executive President, the establishment of a new style Congress of People's Deputies, provision that the new Supreme Soviet should meet for two annual sessions each lasting three to four months, and the creation of committees to monitor constitutional questions and foreign affairs. Elections were scheduled for spring 1989. On the question of changes touching devolution of responsibility to individual Republics within the Soviet Union such as the Baltic States, the response by the Soviet leadership in Moscow had to strike a balance between not opposing the tides of local nationalist opinion too strongly and not permitting so much autonomy and independence as to threaten the integrity of the Soviet system as a whole. They did not yet seem to have got the balance right. In the Transcaucasus the trouble between Armenia and Azerbaijan was worse than ever. There had so far been 28 deaths including four soldiers. There were signs that Islamic fundamentalists were involved. A refugee problem was fast developing, with thousands fleeing in both directions between Armenia and Azerbaijan. The West had no interest in seeking to exploit these events politically. Given the Government's position on non-recognition de jure of Soviet rule in the Baltic States it would be necessary to steer a careful course between low key support for Baltic self-determination and inflammatory or unhelpful statements in a delicate situation.

In a brief discussion, it was noted that there was a danger that the nationalities issue in the Soviet Union, if it got out of hand, could derail the reform programme of President Gorbachev. He clearly wanted to go a good deal further down the path of reform which he had charted. But failure to master the nationalities question as it was now developing in the Baltic States as well as in Georgia, Azerbaijan and Armenia, might well be exploited to his disadvantage by President Gorbachev's internal opposition.

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THE FOREIGN AND COMMONWEALTH SECRETARY said that it now looked as though Miss Benazir Bhutto would indeed be asked to form the next Government in Pakistan.

The Cabinet -

Took note.

3 THE FOREIGN AND COMMONWEALTH SECRETARY said that the agenda circulated for the European Council at Rhodes on 2-3 December confirmed earlier expectations about the nature of the meeting. It was not yet clear how well the physical condition of President Papandreou would enable him to stand up to the occasion. In a brief discussion it was noted that the lightness of the agenda might cause the media to concentrate on other adventitious issues.

Discussion  
with  
Senor Chaves

THE SECRETARY OF STATE FOR EMPLOYMENT said that his discussions earlier in the week with the Spanish Employment Minister, Senor Chaves, had left him with the impression that Spain would not press social issues unduly during their forthcoming Presidency. There might be more difficulty in this area with the succeeding French Presidency. In the immediate future, the Spanish Government faced the prospect domestically of a national strike linked to union objections to a youth employment programme. In discussion it was noted that the United Kingdom's approach to the social dimension in the Community laid stress on training and employee share ownership schemes.

Environment  
Council,  
24 November

THE SECRETARY OF STATE FOR THE ENVIRONMENT said that Lord Caithness had represented the United Kingdom at a successful meeting of the Environment Council on 24 November. The way had been cleared for implementation of measures for further reduction in exhaust emissions from small cars. Agreement had been reached on a directive regulating discharges of titanium dioxide. The legal base for the directive would be one of the environmental articles introduced under the Single European Act requiring unanimity. The Commission's bid for a Community directive on wild life habitats had been rejected. This very satisfactory result had been achieved without isolation of the United Kingdom. The United Kingdom initiative in calling an international conference on the protection of the ozone layer, and our intention to host the second meeting of the parties to the Montreal Protocol in 1990, had been warmly welcomed except by the Belgians, who had themselves been preparing to offer to be hosts at the latter occasion.

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of  
Cars

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that there were persisting problems over the export to France of cars manufactured by Nissan UK Limited (NMUK). The French Government had taken the view that these cars would be counted against the limit of 3 per cent imposed by France on direct imports of cars from Japan. There had been recent indications that Spain were proposing to follow the same approach. It was possible that the Italians might do so as well. The Nissan cars produced in the United Kingdom had at present a 70 per cent local content which would rise to 80 per cent by the first half of 1991. The cars therefore fully satisfied the requirements of Community origin rules. Local content of 60 per cent was sufficient to permit duty free import into the Community of cars produced even in European Free Trade Association countries. In a brief discussion it was suggested that there were some doubts about the French position and President Mitterrand had indicated on the previous day that it had not been brought to his attention. Nevertheless the French would be in an indefensible position if they were taken to the European Court of Justice on this issue. The Commission had so far not responded to a direct question whether they regarded NMUK cars as of European Community origin. It was possible that the present Commissioner was seeking to play out time on the question. If there were to be a question of a Court action, it would be desirable for the Commission's position to be clearly established so that leverage could in turn be put on the French and others. A successful resolution of this issue would improve the prospects for future Japanese investment in the United Kingdom.

Summing up the discussion, the Prime Minister invited the Secretary of State for Trade and Industry to prepare a note on the current state of discussion on the basis of which she and the Foreign Secretary could pursue the matter with the French Government and the Commission during the forthcoming European Council at Rhodes.

The Cabinet -

Took note and invited the Secretary of State for Trade and Industry to proceed as indicated in the Prime Minister's summing up.

Cabinet Office

1 December 1988

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LIMITED CIRCULATION ANNEX

CC(88) 37th Conclusions, Minute 1

Thursday 1 December 1988 at 10.45 am

Training and  
Employment

THE SECRETARY OF STATE FOR EMPLOYMENT said that he proposed to make a statement in the House of Commons on the following Monday about the White Paper on Employment which he would be publishing that day. The White Paper would set out the Government's proposed action to combat a number of the main barriers to employment. The subjects covered included the abolition of Wages Councils, on which he would publish a consultative document simultaneously with the White Paper; possible further legislation bearing on industrial relations, for example to make unlawful the pre-entry closed shop; action in the forthcoming Social Security Bill to encourage those who were not actively looking for jobs to take up work; and new arrangements for training. The proposals on training were the most important feature of the White Paper and included the establishment of new employer-led local Training and Enterprise Councils to plan and deliver training and to promote the development of small businesses; consultations with a view to moving the Industrial Training Boards onto a non-statutory basis; and the privatisation of as much as possible of the Skills Training Agency.

THE SECRETARY OF STATE FOR SCOTLAND said that he proposed to publish on the following Tuesday a White Paper on Scottish Enterprise. The White Paper would set out his plans for establishing a new body, Scottish Enterprise, to take on the functions of the Training Agency in Scotland and of the Scottish Development Agency.

THE PRIME MINISTER, summing up a brief discussion, said that the Cabinet agreed that the White Papers and the consultative documents on Wage Councils should be published as proposed. It was important that the proposals in the two White Papers should not become known in advance of their announcement in the following week.

The Cabinet -

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

Cabinet Office

2 December 1988

SECRET