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PREM 19/283

PART 2

SECRET

Confidential Filing

Meetings with the Taoiseach,
Mr Haughey.

IRELAND

Pt 1: May 79
Pt 2:
March 1980

| Referred to | Date | Referred to | Date | Referred to | Date | Referred to | Date |
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PREM 19 / 283

PART 3 begins:-

FR0 to MAP

11.8.80

~~RTA to MAP~~

~~12.8.80~~

PART 2 ends:-

FR0 Dublin 221

8.8.80.

Do you know about

Rockall ? The

Channel between us?

~~the~~ if I remember right, we occupied
Rockall in about 1961 or 2 (I was at
the Admiralty & the Marines did it) The
reason was that if we did not
the Irish would have been able to

claim as that ~~territorial~~ sea a
large area potentially oil bearing.
We had always claimed it, but
never occupied it. [the waves
break over it at high tide]

They have demanded
arbitration.

I will find out but I doubt
that we accept that is any
ambiguity about our position

NORTHERN IRELAND: ADVANCE COPIES

187

IMMEDIATE

PS
PS/LPS
PS/PUS
~~MR BULLARD~~
MR FERGUSSON
HD/RID
HD/PUSD (2)
HD/IPD
HD/NEWS DEPT

N IRELAND OFFICE
N IRELAND OFFICE

PS TO SEC OF STATE
RM 66 A/2 GGS

[4 copies]

rela el

SIR B CUBBON
MR JANES
MR MARSHALL
MR W J A INNES

CABINET OFFICE

- SIR R ARMSTRONG
DIO

... ..
... ..

NO 10 DOWNING STREET

(Ltd)

CONFIDENTIAL

FM DUBLIN 1200Z AUGUST 1980
TO IMMEDIATE FCO
TELEGRAM NUMBER 221 OF 08 AUGUST 1980
AND REPEATED FOR INFO TO IMMEDIATE NIO BELFAST

ra
MA

NEXT MEETING BETWEEN MRS THATCHER AND MR HAUGHEY

1. YOU WILL HAVE SEEN THIS MORNING'S IRISH TIMES LEAD STORY BY GERALDINE KENNEDY HEADLINED QUOTE THATCHER TO VISIT DUBLIN FOR TALKS LATER THIS YEAR UNQUOTE.
2. THE STORY UNDERNEATH THIS SOMEWHAT MISLEADING HEADLINE IS REASONABLY BALANCED AND A LOT LESS DEFINITE. THE DFA WITH WHOM WE HAVE BEEN IN TOUCH SEE NO REASON TO QUARREL WITH IT. THE STORY IS NOT THE RESULT OF A DELIBERATE LEAK BY THE IRISH BUT IS BASED ON A NUMBER OF CONVERSATIONS GERALDINE KENNEDY HAS HAD OVER THE LAST FEW DAYS WITH VARIOUS PEOPLE INCLUDING THE HEAD OF CHANCERY.
3. THE IRISH INTEND TO TAKE THE LINE THAT THEY CANNOT CONFIRM OR DENY THE POSSIBILITY OF SUCH A VISIT, POINTING OUT THAT WHILE IT WOULD BE A REASONABLE PRESUMPTION IN THE LIGHT OF THE MAY COMMUNIQUE THAT A SECOND MEETING SHOULD TAKE PLACE AROUND THE END OF THE YEAR AND THAT THERE MIGHT BE AN ALTERNATION OF MEETINGS BETWEEN LONDON AND DUBLIN, NO FIRM DECISIONS HAVE YET BEEN TAKEN.

FICG



cc NIO
D/N
LOD

HL8

Ireland

10 DOWNING STREET

From the Private Secretary

5 August 1980

The Prime Minister has seen and noted your letter to me of 4 August, commenting on the UK/Irish Continental Shelf Delimitation problem which was raised by the Irish Prime Minister on 21 May.

I am sending copies of this letter to Roy Harrington (Northern Ireland Office), John West (Department of Energy) and Bill Beckett (Law Officers' Department).

M. A. PATTISON

Paul Lever, Esq.,
Foreign and Commonwealth Office.

LB



Foreign and Commonwealth Office

London SW1A 2AH

4 August 1980

Prime Minister

Dear Michael,

MS

MFA 4/8

UK/Irish Continental Shelf Delimitation

Your letter of 21 May recorded that this subject arose during the Prime Minister's lunch for the Irish Prime Minister. My Haughey wondered whether serious consideration should not be given to the establishment of "joint administration" to cover the area in dispute between the parties. You also recorded Mr Dermot Nally's view that the idea was one on which the views of the Irish Government's own experts had not been secured.

At the last round of bilateral discussions, which took place in London on 19 June, Miss Skinner (Legal Adviser to the Irish DFA) confirmed that experts had not been consulted in advance, but said that, following the talks at No 10, they had been studying the idea. She said that Mr Haughey's proposal was for some form of joint administration pending the decision of the Court of Arbitration. It was not thus intended as a substitute for the original Irish proposal to go to ad hoc Arbitration. The Irish had in mind a tripartite licensing system in the disputed area, whereby operators would be licensed jointly by the two Governments. It would be necessary to agree the terms of a compromise licence.

Sir I Sinclair explained that this appeared to us to give rise to two serious difficulties:

- i) it would involve interference with, perhaps expropriation of, the rights of existing ^{SES}licensing; and
- ii) new legislation would be necessary.

All this would lead to delay. It would require the agreement of the operating companies, and would thus make conclusion of the Arbitration Agreement dependent on the agreement of the companies as well as the two Governments. It would also introduce a climate of uncertainty which could well lead to a freezing of activity in the area - an objective sought by neither side. Sir I Sinclair suggested that our own proposals for an interim regime, which we put forward in outline form at the first meeting in the current series in October 1979, might form a more practical basis. They were based on continuation of a large measure of activity under existing national legislation, subject to the overriding principle that the agreed arrangements would be entirely without prejudice to the position of either side before the Court of Arbitration.

/The Irish ...

Michael Alexander Esq
10 Downing Street

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The Irish took this criticism in good part. They agreed to reflect on the problems of joint administration. Miss Skinner said that the proposal had been put forward in the hope that it might make things easier: if this were not the case, she would need to advise her Ministers to reconsider it. She said that it was possible that they did not understand how complicated joint administration would be. Both sides agreed to consider the proposal for joint administration side by side with UK proposal for an interim regime, so as not to waste further time.

It is clear that the Irish proposal is unlikely to facilitate solving the dispute and the Irish themselves have quite simply not thought things through. We judge that it might set back the commencement of the Arbitration by one or two years - with no perceptible benefit to either side. At the next bilateral meeting in October, we shall seek to dissuade them from pursuing it further.

I am sending copies of this letter to Roy Harrington (Northern Ireland Office), Bill Burroughs (Department of Energy) and Bill Beckett (Law Officers' Department).

Yours own

Paul

(P Lever)
Private Secretary

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- 7 AUG 1980



CONFIDENTIAL

SAVING TELEGRAM

Ireland

BY BAG

8.5 TO PM

FROM DUBLIN

CONFIDENTIAL

Read in full

To: FCO Telegram no.19 Saving of 27 May 1980
Repeated Saving to NIO (Belfast) and Washington

ms

FAREWELL CALLS

1. I had thirty minutes alone with the Taoiseach on 23 May. His attitude was very friendly.
2. He said he had been most impressed by the Prime Minister at their meeting on 21 May. The atmosphere had been "wonderful" and he greatly enjoyed the relaxed way in which the lunch had gone. He had much appreciated the fact that he and Mrs Thatcher, in their tête à tête, had been able to speak frankly. Each had listened to what the other had to say. He had, "to be honest", been surprised that everything had gone so well in London (an echo of what he said at the end of the talks, on 21 May). "But," he added, "we must keep up the impetus."
3. He went on to say that he understood why the so-called guarantee could not be withdrawn. I had, he said, explained that to him earlier (my telegram no.152) and the Prime Minister had made it very clear. All the same, how was he ever going to manage to talk to Paisley with the guarantee behind him? Paisley would ignore him: yet it was important that he should talk to Paisley and others. I suggested that perhaps with time the contacts would develop. He replied, "I haven't got any time!" What was needed was something positive to go parallel with the guarantee. I replied that that thought was surely in paragraph 4 of the communiqué. He assented.
4. He then went back to the time-scale in his contacts with Northerners. People, he said, talked about "wooing" them. But that would take a lot of time. I said that nonetheless whether it was called "wooing" or something else, Northern Protestants had genuine misgivings about their role and position if there ever were a united Ireland and those had to be allayed. Speaking as a Protestant, I said I could understand how they felt. I mentioned an encounter I had had with Bishop Lucey of Cork, adding that I knew he was an extreme case. Haughey laughed and said, "He's a a Calvinist!" He continued that he was not a deeply religious man and did not mind if someone wanted to "worship Ali Baba and the Seven (sic) Thieves", but time was one of his problems. Could I suggest anyone he might invite from the North to receptions and so on? I replied that he might consider Peter Froggatt, Vice Chancellor of Queen's, David Cooke, ex-Lord Mayor of Belfast, Oliver Napier, of Alliance, all of whom I knew well. He dismissed Napier at once as being of no importance. Could I give him a list of suitable people? If it is thought appropriate, NIO might let us have suggestions which either Staples or my successor could give to Nally. Ewart Bell, it seems to me, could inject a lot of common sense here!

/5.....

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5. I asked Haughey if he had put forward any specific ideas on the North, or on Anglo-Irish relations to Mrs Thatcher, and he replied he had not. He did not elaborate.

6. Later that night, at Staples' house, Nally and O'Rourke both said that Haughey was "lyrical" about the 21 May meeting. Nally had been instructed to compile the list mentioned in para 4 above.

7. I had half an hour alone with Lenihan on 26 May. He was his usual affable self and dwelt at length on how good the "vibes" were after the 21 May meeting. He also spoke of his and Haughey's admiration for the Prime Minister. The only other thing of significance to emerge was his reiteration, not prompted by me, that the Republic would be prepared to take part in defence cooperation (my telegrams nos. 138 and 150). I asked if that included possible membership of NATO and ^{he} replied that it did. In his view, the Republic's neutrality was diminished as soon as it joined the EC. He admitted, in reply to my question, that he might be a bit before his time so far as the general public and some of his colleagues were concerned. The public would have to be educated for the change which he was sure would come.

Comment

8. Haughey was clearly very well pleased with his visit to London which went much better than he had expected. He was greatly impressed by the Prime Minister. On future occasions, he will want to deploy some of the ideas he and others have spoken to us about - defence cooperation, NATO, broader contexts and so on. He will want to achieve and be seen to achieve something on Northern Ireland and, as he said to me, he has not much time.

9. I have sent copies of minutes about my farewell calls on Garret FitzGerald and Frank Cluskey to Newington, RID.

HAYDON

FILES

RID
NAD
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DEF.D
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MAED
NEWS D
SEC D
PUSD
PS
PS/LPS

PS/MR HURD
PS/MR RIDLEY
PS/MR BLAKER
PS/PUS
SIR D. MAITLAND
SIR A. ACHLAND
CHIEF CLERK
MR. ADAMS
MR BULLARD
MR FERGUSSON
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MR. P. H. MOBERLY

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Ireland.

CHEQUERS
BUTLER'S CROSS · AYLESBURY
BUCKS

27 May 1980

My dear Ambassador,

Thank you so much for your letter and for the accompanying orchids. I am glad that you enjoyed the lunch. So did I.

The orchids are quite lovely. I have had them brought down here to Chequers and they are by me as I write.

Yours sincerely
Raymond Butler

His Excellency Dr. Eamon Kennedy

JS



10 DOWNING STREET

From the Private Secretary

23 May 1980

MR. HAUGHEY

You will wish to know that the Prime Minister telephoned Mr. Haughey yesterday afternoon to thank him for his gift. Only one point of substance came up in the course of the brief conversation. Mr. Haughey asked whether the Prime Minister was satisfied that he had maintained the confidentiality of their discussion during his press conference. The Prime Minister said that she was entirely satisfied.

I am sending a copy of this letter to Roy Harrington (Northern Ireland Office).

M. O'D. B. ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

GP



IRISH EMBASSY, LONDON.

cc Mrs. Goodchild

17 Grosvenor Place

SW1X 7HR

22nd May 1980

Dear Prime Minister

I hardly know how to thank you for yesterday's delightful luncheon. It achieved that very elusive blend of warmth and elegance and I know that all your guests would join me in expressing our sincerest gratitude.

In addition to the warmth of your welcome and the graciousness of your hospitality may I also express our deep appreciation for the constructive, positive atmosphere in which the talks were conducted. We all felt that new and encouraging vistas of cooperation in friendship had been opened between us, and that the two islands were coming closer together.

Could I just add that my wife, our two children and myself are very much looking forward to seeing you and Mr Thatcher for a drink after the Trooping of the Colour on Saturday, 14th June. We feel quite overwhelmed by your kindness.

With renewed thanks

Yours sincerely,

Eamon Kennedy

Eamon Kennedy
Ambassador

The Rt Hon Mrs Thatcher MP
Prime Minister
No.10 Downing Street
LONDON SW1

PRIME MINISTER'S TELEPHONE CONVERSATION WITH THE TAOISEACH:
THURSDAY 22 MAY 1980

SUBJECT.

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 114/80.

T 114/80

T 114/80.
cc. Master set
JPS

Prime Minister: Hello Mr. Haughey, how are you?

Mr. Haughey: How are you, Prime Minister?

PM: I'm fine. I just have to go off to the North East in a moment or two and I have not written a letter which is why I wanted to telephone to say how very much we enjoyed yesterday and how pleased we were with it. And thank you so much for the beautiful teapot.

Mr. Haughey: I am delighted. I was delighted to be there and indeed thanks are due on my side because you were very gracious and wonderful hospitality and a delightful atmosphere and it was a most satisfactory day indeed for us.

PM: Good. Did you have a difficult time at your Press Conference?

Mr. Haughey: I had a very rough, well not too bad, but my main problem was to keep our confidentiality, you know.

PM: Yes, I know.

Mr. Haughey: And I hope I did that.

PM: Yes. Superbly. I just had three questions in the House this afternoon. One from Mr. Kilfedder, which was not what one would call a nice Question, and one from Gerry Fitt, who is always very good humoured and one from MacNamara. But we got through all right. Otherwise I didn't see the press. But I just wanted to say we very much enjoyed it. We look forward to the next time and thank you very much.

Mr. Haughey: Thank you very much Prime Minister. Delighted again. God bless you.

PM: Thank you. God bless. Goodbye.

JQ' VS
Ireland

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10 DOWNING STREET

From the Private Secretary

22 May 1980

Visit of the Irish Prime Minister:
21 May 1980

I enclose a record of the discussion in plenary session yesterday between the Prime Minister and the Irish Prime Minister, Mr. Charles Haughey.

I am sending a copy of the entire record to David Wright (Cabinet Office) and of the second part of the record to John Wiggins (HM Treasury) and Garth Waters (MAFF).

M. O'D. B. ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

Q

JOINT COMMUNIQUE BY THE PRIME MINISTER, MRS MARGARET THATCHER
AND THE TAOISEACH OF THE IRISH REPUBLIC, MR CHARLES HAUGHEY TD
ISSUED FROM 10 DOWNING STREET, LONDON, ON WEDNESDAY, 21 MAY 1980

The Prime Minister, the Rt Hon Margaret Thatcher MP, had discussions today 21 May at 10 Downing Street with the Taoiseach, Mr Charles Haughey TD, who was accompanied by Mr Brian Lenihan TD, Minister for Foreign Affairs. The Rt Hon The Lord Carrington, Secretary of State for Foreign and Commonwealth Affairs and the Rt Hon Humphrey Atkins MP, Secretary of State for Northern Ireland, were present. The talks were preceded by a working lunch, also attended by the Rt Hon Sir Ian Gilmour Bt, MP, the Lord Privy Seal. The talks covered bilateral and European Community issues as well as current international problems of concern to both Governments.

The Prime Minister and the Taoiseach agreed that they wished to develop new and closer political cooperation between their two Governments. They agreed to hold regular meetings, on a continuing basis, accompanied by other Ministers as appropriate.

They had a useful and constructive exchange of views about the prospects for political progress in Northern Ireland. While agreeing with the Prime Minister that any change in the constitutional status of Northern Ireland would only come about with the consent of a majority of the people of Northern Ireland, the Taoiseach reaffirmed that it is the wish of the Irish Government to secure the unity of Ireland by agreement and in peace. The Prime Minister and the Taoiseach recorded agreement on the importance they attach to the unique relationship between the peoples of the United Kingdom of Great Britain and Northern Ireland and the Republic, and on the need to further this relationship in the interest of peace and reconciliation.

The Prime Minister and the Taoiseach noted with satisfaction the efforts being made by the two Governments, both separately and in cooperation, in the field of security.

Subject

RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF THE REPUBLIC OF IRELAND, MR. CHARLES HAUGHEY, AT NO. 10 DOWNING STREET ON 21 MAY AT 1535

Present

| | |
|---|------------------------|
| The Prime Minister | Mr. Charles Haughey |
| Foreign and Commonwealth Secretary | Mr. B. Lenihan |
| Secretary of State for Northern Ireland | Mr. A. O'Rourke |
| Sir R. Armstrong | Dr. E.L. Kennedy |
| Mr. K. Stowe | Mr. D. Nally |
| Mr. W.E. Bell | Mr. S.P.O. hAnnrachain |
| Miss J Kelly | Mr. F. Dunlop |
| Sir R. Haydon | Mr. D. Neligan |
| Mr. L.C.W. Figg | Mr. W. Kirwan |
| Mr. M.D.M. Franklin | Mr. P. Walshe |
| Mr. M.J. Newington | Mr. H. Swift |
| Mr. M. O'D. B. Alexander | Mr. N. Dorr |
| Mr. B. Ingham | |

* * * * *

Middle East

The Foreign and Commonwealth Secretary paid tribute to the role of the Irish Government in providing and maintaining a contingent in the UN force in South Lebanon. The policy and the conduct of the Irish Government had been both public spirited and brave. Their willingness to continue to sustain their contribution to the UN presence was extremely important. If the UN force withdrew, the Israelis might well move into the area. There would then be a real risk of war with Syria. The Israelis were at present behaving very badly. Their operations in the area were master-minded by the Israeli Chief of Staff who did not seem to be under the control of either Mr. Begin or Mr. Weizmann. Mr. Haughey said that the intention of his Government, as of the other Governments contributing to the UN force, was to stay. If the situation were to deteriorate further, the countries supplying contingents

/would consult

would consult together. There would be no unilateral action. The Irish Government wished to remain as long as the mandate lasted.

Mr. Lenihan described the present state of thinking in the EC on the possibility of a European initiative. The aim would be to try to fill the vacuum which threatened to develop between 26 May and the holding of the US elections. The Foreign and Commonwealth Secretary said that he thought it would be difficult for the Europeans to wait until November without taking action of some kind. There was always the possibility of a unilateral move by the French. At present a draft declaration was under preparation which the Presidency might make at the end of the European Council meeting in Venice. This would build on Mr. O'Kennedy's speech the previous autumn in New York. The Prime Minister asked whether a statement at Venice would cause difficulties if the Camp David process had been prolonged. The Foreign and Commonwealth Secretary said that he did not think a declaration would get in the way. Mr. Lenihan said that the need to pace the process would be in everyone's mind.

The Prime Minister said that any attempt to involve the PLO was likely to cause difficulties. Mr. Haughey said that they had a legitimate role as spokesman for the Palestinian people. The Palestinian people, in their turn, had a right to a homeland. The Prime Minister said that it would be desirable to avoid according the PLO the status of the exclusive representative of the Palestinian people. Would it not be possible to find a further spokesman? The Foreign and Commonwealth Secretary said the PLO were likely in the event to be the only representative involved in talks. The Arab League had long since recognised the PLO as the sole representative of the Palestinian people. Heads of Government were likely to be asked in Venice to accept the idea of contacts with all the parties involved in

/the Arab/Israel

the Arab/Israel dispute including the PLO. It would, of course, be necessary to keep the Americans in touch with our thinking as it developed.

Relations with the United States

Mr. Haughey said that he was concerned about the absence of a formal mechanism for consultation with the United States. The Presidency of the EEC represented one possible channel of communication but, of course, that changed every six months. The Foreign and Commonwealth Secretary commented that the French would never accept the formalisation of transatlantic consultation. The Prime Minister said that bilateral consultations to deal with specific problems were often intensive but agreed that there was a need for more continuing consultation.

Sanctions Against Iran

The Prime Minister described the difficulties which had arisen in Parliament over the decision taken by the Foreign Ministers of the Nine in Naples that sanctions should operate retrospectively. In the light of the reaction of the House of Commons, the Government had been forced to conclude that there should be no retrospection except on arms supplies. Mr. Haughey said that what had happened in the House of Commons showed that the United Kingdom was still a Parliamentary democracy. The Irish Government's position was very straightforward. They could make an order which would have the effect that anyone who wished to do business with Iran would have to secure a licence from the appropriate Ministry to do so. Each application would be treated on its merits. Banking, as well as trade in food and medicine, would be excluded from the ambit of the order.

Afghanistan

Mr. Haughey said that the Irish athletes had decided to ignore the Government's advice that they should not participate in the Olympic Games. However, he did not think that the end of the road had yet been reached. The equestrian team and the boxing team had both decided against participation. Others were

going to find it difficult to go to Moscow because they would get no financial aid from the Government. Government servants would get no leave and would be provided with no facilities. The Prime Minister said that the position of the British Government was more difficult because we did not subsidise our athletes. We could only offer advice. She would much regret it if, in the event, the athletes went. It was ironic that British athletes were able to go to Moscow precisely because they lived in a free country. Agreeing with Mr. Haughey that sport had always been a weapon in the propaganda armoury of the Communist States, the Prime Minister said that non-participation in the Olympic Games was the only way to bring home to the Soviet people the universal disapproval in the West of their Government's action in invading Afghanistan. She was worried that the West had not done enough to demonstrate its disapproval. She feared that there would be a growing tendency to legitimise the invasion. Mr. Haughey commented that the Islamic world remained on the side of the Afghans. The Foreign and Commonwealth Secretary said that Mr. Ghotbzadeh had been very critical of the Russians during the Islamic Conference.

The Community Budget

Mr. Haughey said that his Government had a substantial vested interest in ensuring that the Community worked. The agricultural prices settlement was vital to them. He hoped the Prime Minister would let him know, therefore, if there was anything that he could do to help resolve the British budgetary problem. The Prime Minister said that she intended to battle on until a satisfactory solution was agreed. She wanted the problem resolved before Venice. Mr. Lenihan described the Ministerial meetings in prospect. Mr. Haughey asked if there was anything that the Irish Government should be canvassing on the British Government's behalf. The Prime Minister said that it was essential that there should be an agreement covering three years. She recognised that it would not be easy to achieve this. The position of the Germans was particularly difficult since they, together with the U.K., had to finance the whole Community budget. Referring to the sheepmeat regime, the Prime

Minister said that French, Irish and New Zealand farmers, like those of the U.K., were entitled to a decent standard of living. However, intervention was absurd. It was in no-one's interest to create a lamb and mutton mountain. It would make far more sense to have a system based on deficiency payments. The Foreign and Commonwealth Secretary said that the present Commission proposals would guarantee that all Irish and UK lamb would go into intervention in France. Mr. Haughey said that he had an important sheep farming constituency in Ireland. He thought it should be possible to avoid the creation of a new mountain and intended to press for a support system of some kind. The Foreign and Commonwealth Secretary said that the UK would be asking for a system based on variable premia. This would mean that if the French were to insist on intervention in France, we would be able to prevent our own product going into intervention there.

Presidency of the Commission

Mr. Haughey said that the Irish Government felt they had a claim to the succession to Mr. Jenkins. They had it in mind, if sufficient support seemed likely to be forthcoming, to put forward a major political personage as their candidate. If he were to be appointed, it would be of advantage to both the Irish Republic and the UK. The Prime Minister said that the only candidates of which she was aware at present were Mr. Gundelach and M. Thorn. Mr. Haughey said that Mr. Gundelach would be quite unacceptable to the Irish Government. If he were to maintain his candidacy, the Irish would certainly put forward a candidate against him.

The plenary session broke up into working parties to discuss the communique at 1615. The session re-assembled, briefly, at 1645 when Mr. Haughey said how much he had enjoyed his talks with the Prime Minister and extended a warm invitation to the Prime Minister to visit Dublin.



10 DOWNING STREET

From the Private Secretary

21 May 1980

Dear Sir,

VISIT OF THE IRISH PRIME MINISTER

The conversation during the lunch which the Prime Minister gave earlier today for the Irish Prime Minister was almost entirely social. However, three points came up of which you will wish to be aware.

Continental Shelf

Mr. Haughey referred to the prospective commencement of arbitral proceedings to deal with the conflicting claims of the British and the Irish Governments to the waters surrounding Rockall. He said that the proceedings would certainly be long drawn out and would probably result in an agreement to split the disputed area more or less equally between the two countries. He wondered, therefore, whether serious consideration should not be given to the establishment of a joint administration to cover the "grey area" lying between those areas which undisputedly belonged to one party or the other. The Prime Minister did no more than take note of the proposal. Dermot Nally told me afterwards that the idea for a joint administration was a new one which had emerged during the preparations for the visit to London and on which the views of the Irish Government's own experts had not yet been secured. He implied that it was Mr. Haughey's own suggestion.

Presidency of the Commission

This subject was covered in more detail in the course of the plenary discussions later in the afternoon. However, in the brief discussion which took place at lunch, both Mr. Haughey and Mr. Lenihan made it clear that they would oppose the candidature of Mr. Gundelach. Mr. Haughey made the point, which he repeated during the subsequent discussion, that the Irish were prepared to run a candidate against Mr. Gundelach. The reason given for the Irish Government's opposition to Mr. Gundelach was his total unreliability.

/UNIFIL

JS
cc last para

JS

UNIFIL

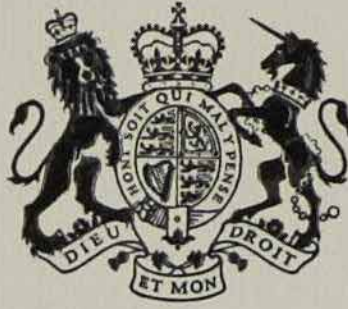
Mr. Haughey spoke very warmly of the support which HMG's representatives in the area had extended to the Irish contingent in the Lebanon.

I am sending copies of this letter to Roy Harrington (Northern Ireland Office), Brian Norbury (Ministry of Defence), Garth Waters (MAFF), Ian Ellison (Department of Industry), Bill Burroughs (Department of Energy), Bill Beckett (Law Officers' Department) and David Wright (Cabinet Office).

Yours ever

Michael Alexander

G.G.H. Walden, Esq.,
Foreign and Commonwealth Office.



DEPARTMENT OF HEALTH & SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

Mike Alexander Esq
Private Secretary
10 Downing Street
LONDON SW1

21 May 1980

Dear Mike

Roy Harrington told me last night that you were seeking briefing for the Prime Minister's meeting today with the Irish Premier.

I attach a short note on health and social security matters.

Yours sincerely
Bernie

B C MERKEL
Private Secretary

ENC

To What extent do Irish Nationals get more favourable treatment in the UK than other nationalities with regard to health care and social security?

Irish nationals have the same entitlement to health care and social security in the United Kingdom as the nationals of other EEC countries. But they do have two small advantages in addition:

1. As there is freedom of movement between Ireland and the United Kingdom, Irish nationals entitled to supplementary benefit here cannot be sent back to Ireland after a period but can stay as long as they like (unlike other EEC nationals).
2. Since the Irish Social Security system is very similar to the United Kingdom's, Irish nationals do not need to have the special EEC form to get medical treatment on the National Health Service (other EEC nationals do).

21 MAY 1960



From: THE PRIVATE SECRETARY



HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

21 May 1980

Dear Michael

PRIME MINISTER'S MEETING WITH
MR. HAUGHEY

Roy Harrington mentioned to me last night that you would like notes on the position of Irish citizens, insofar as special privileges are concerned. I enclose a note dealing with immigration, nationality and electoral aspects.

J. A. CHILCOT

*Yours,
John*

Michael Alexander, Esq.

IRISH CITIZENS: CIVIC AND OTHER PRIVILEGES IN THE
UNITED KINGDOM

IMMIGRATION

1. The United Kingdom has a Common Travel Area arrangement with the Republic of Ireland. This permits the free movement of nationals of either country without physical immigration controls when travelling between the two countries. (It also permits the movement of nationals of third countries when travelling between the United Kingdom and the Republic subject to the conditions and time limits on stay imposed on entry into the Common Travel Area or subsequently by either country).
2. Irish citizens are subject to physical immigration controls on entry to the United Kingdom from a third country. But in addition to their basic right as citizens of a member country of the European Community to enter to seek for work, Irish citizens may normally enter and remain without restriction on the length and purpose of their stay.

SECURITY, CRIME PREVENTION, ETC.

3. Irish citizens remain liable to deportation from the United Kingdom (and are then ineligible to re-enter and commit a criminal offence if they do so) if, for example, they are convicted of criminal offences here. The Prevention of Terrorism Act 1976 renders anyone, including an Irish citizen, who is concerned in terrorism in the Northern Ireland context, liable to be detained, and subsequently to be excluded from Great Britain unless he is both a citizen of this country and has a longstanding connection by birth/residence.

CITIZENSHIP

4. Irish citizens resident here may, like Commonwealth citizens, apply for registration as citizens of the United Kingdom. But additionally they may, if born before 1949, declare themselves always to have been British subjects (i.e. proclaiming an allegiance) and are then entitled to be regarded as citizens of the United Kingdom.

VOTING - IRISH CITIZENS

5. Citizens of the Irish Republic resident in Great Britain on the qualifying date each year may be registered as electors. When registered, they may vote in all elections in Great Britain. In Northern Ireland they may normally vote only in elections to Westminster and to the European Assembly. Precise figures of the number of such residents are not available, but the 1971 census recorded some 615,000 United Kingdom residents born in the Republic of Ireland and another 100,000 (in addition to Northern Ireland residents) born in either part of Ireland.

VOTING - UNITED KINGDOM CITIZENS

6. Citizens of the United Kingdom resident in the Republic may vote there only in local government and European Assembly elections; not in elections to the Dail.

OTHER CIVIC PRIVILEGES

7. Irish citizens are recognised in United Kingdom law not as foreign nationals but as if they were Commonwealth citizens. Accordingly, they enjoy the same civic privileges and obligations as British subjects (for example, eligibility for Crown service and liability to jury service).



21 MAY 1980

From: THE PRIVATE SECRETARY



NORTHERN IRELAND OFFICE

GREAT GEORGE STREET,

LONDON SW1P 3AJ

19 May 1980

Michael Alexander, Esq
10 Downing Street
SW1

p/w briefing folder.

Paul

Dear Michael,

Visit of the Taoiseach

In connection with Mr Haughey's visit, and following the discussion which the Prime Minister had with John Hume, you asked for a report on local government in Northern Ireland, with particular reference to John Hume's suggestion that discrimination remains a problem.

A brief report is enclosed.

I am sending a copy of this letter to Paul Lever (FCO) and David Wright.

Yours ever,

Ry Harrington

R A HARRINGTON

LOCAL GOVERNMENT IN NORTHERN IRELAND

Background

1. The Local Councils of Northern Ireland used to enjoy powers similar to their counterparts in GB. Discrimination in employment and the provision of housing led directly to the present troubles. They were therefore stripped of their powers and reduced in number.

Since 1973 local government in Northern Ireland has consisted of a single-tier system of 26 District Councils. The councils' only significant functions are cleansing (refuse collection, etc.) and recreation.

Monitoring Discrimination

2. To monitor and control discriminatory practices the post of Commissioner for Complaints was created in 1969, and the Fair Employment Agency (which is responsible for the investigation of allegations of discriminatory employment practices) was set up in 1976. But discrimination is notoriously difficult to prove.

Instances of Discrimination

3. Despite their limited powers Loyalist dominated councils have been accused, and in some instances found guilty, of practising sectarian discrimination in employment and the provision of services. Recent examples include:-

(a) Lisburn Borough Council delayed for 4 years before making any provision for community facilities for 10,000 Catholics in the Twinbrook Estate. It has now voted not to undertake any refuse collection or cleansing activities in the Poleglass Estate where 2,000 Catholic families from West Belfast will be housed. Also, the Recreation Officer has been forbidden to take any steps to provide recreation facilities for this Estate.

(b) The Armagh District Council, rather than appoint a Catholic as Chief Recreation Officer, abolished the post completely.

(c) The Armagh Council with a Loyalist majority of 12 to 8 is typical of Loyalist dominated councils in refusing to allow non-Loyalist councillors responsibility or to be appointed to public bodies.

(d) Magherafelt District Council was found guilty in 1977 of discrimination in excluding the Gaelic Athletic Association from its summer sports coaching scheme.

(e) Belfast City Council, in 1979, refused to provide a community centre for the Catholic Oldpark area. In the vote the Unionist Mayor both voted himself to tie the vote and exercised his casting vote against the proposal, ~~and there is good reason to suppose that this was part of the reason why he did not get a second term of office — another member of the same party was elected instead.~~

(f) Cookstown District Council was found guilty of discrimination in employment in 1977. The population of the district is evenly divided between Protestants and Catholics. It has 72 employees of whom 57 are Protestant and 15 Catholic. All but two of the Catholics are employed in the lowest manual grades.

(g) Councils which are under the control of Loyalist parties with strong sabbatarian flavours, such as Ballymena, Limavady, and Craigavon, refuse to allow sports facilities, such as swimming pools, to be opened on Sundays.

(h) 19 out of the 26 District Councils have declined to sign the FEA's voluntary fair employment declaration, which invites employers to emphasise their support for the principle of equal opportunity in employment irrespective of religious or political beliefs.

Non-Unionist Practice

4. All instances of discrimination have been practised by Loyalist dominated councils. The SDLP by contrast can point to the fact that where they control, or are the largest party in, a District Council they not only do not practice discrimination, but go out of their way to provide a role for the Unionists. In Londonderry, for example, where the SDLP are the largest party, they are scrupulous in ensuring fair representation on committees for the minority Loyalist parties and in rotating the Mayorship and Deputy Mayorship every year between themselves and the Official Unionists.

Conclusion

5. The performance of a number of Loyalist dominated councils in Northern Ireland has revealed a strong element of sectarian bias and on

occasions outright discrimination. The statutory safeguards, although extensive, have not prevented discrimination, largely because in many cases, however blatant, it is not susceptible of positive proof. There is an absolute conviction throughout the minority community (and many in the majority community are obliged to agree) that certain Unionist councils can and do find a way to discriminate against Catholics on occasions. The situation is tolerated (under protest) by the minority because the functions of the councils are so limited that the opportunities for discrimination are extremely restricted. However their view of current practices is such that they would bitterly resist any exercise of wider powers by councils operating on present lines which would greatly increase the potential for discriminatory action and take Northern Ireland back to the late 1960s.

Northern Ireland Office
19 May 1980

CONFIDENTIAL

From: THE PRIVATE SECRETARY



NORTHERN IRELAND OFFICE
GREAT GEORGE STREET,
LONDON SW1P 3AJ

plw briefs

ka
Paul

Paul

21/5 19 May 1980

Michael Alexander Esq
10 Downing Street
London SW1

Dear Michael,

Before she meets Mr Haughey on 21 May, the Prime Minister may like to be aware of an exchange of correspondence between my Secretary of State and the Irish Foreign Minister, Mr Lenihan, that took place following Mr Atkins's visit to Dublin last month. I attach copies.

While there is nothing unexpected in Mr Lenihan's letter, it is clearly designed from its timing to set the stage for the coming visit by outlining from his level the basic Irish attitude. It puts forward the main lines of the approach which we would expect Mr Haughey to take, and which are fully dealt with in the briefing which has been assembled for the Prime Minister. The letter does not of course cover the more individual embellishments which the Taoiseach himself may add to the approach.

I am sending copies of this letter to Ian Maxwell (ICO), John Chilcot (Home Office), George Walden (FCO), Brian Norbury (MoD) and David Wright (Cabinet Office).

Yours,

R A Harrington

R A Harrington

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COPY (TEXT OF LETTER
PASSED ON BY IRISH
EMBASSY: ORIGINAL
TO FOLLOW)

15 May 1980

Dear Humphrey

Thank you for your letter of 21 April in response to which I would like to say how much I too appreciated meeting you here. Our talks did indeed help to clarify our respective positions and I look forward to their continuance.

I appreciate your raising informally the view which I expressed at our meeting that my Government should be involved in discussions of a devolved administration in Northern Ireland. In this regard I must say that, as you know, our involvement is not particularly or solely related to the process of negotiation which you are at present engaged in with the representatives of certain parties in Northern Ireland, or even to the more general question of relations between both parts of the community there. It flows from history and the realities today and relates also ^{to} the need for structured discussion between our Governments about relations between both parts of Ireland and between Ireland and Britain. These are the dimensions in which we see the talks with your Government and in which we would hope to find a formula for permanent peace and stability, for the benefit of all the people of these islands.

As regards the process in which you are engaged, you are aware that it is not our policy to comment publicly upon developments.

You refer to the risk of extinction of the partial cooperation of the Unionist side from which your efforts have benefited up to now. In any case, however, there is a much more obvious danger of withdrawal by the parties which desire implementation of what we understood to be the bipartisan British objective of executive partnership. You are aware of our conviction, in these circumstances, of the absence of any prospect for lasting success of the negotiation you are engaged in and of our view that, even if it were to lead to an agreed result, this will not provide a conclusive settlement. It is for this reason that we propose

/...

that the issue be lifted to a higher plane between us and that we should discuss in a fundamental way, all three dimensions of the problem.

I look forward to seeing you in the near future.

Yours sincerely

Brian Lenihan

The Rt Hon Humphrey Atkins MP
Secretary of State for Northern Ireland



Northern Ireland Office
Stormont Castle
Belfast BT4 3ST

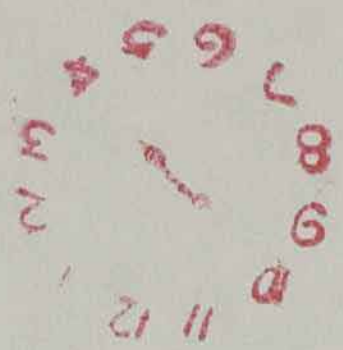
The Hon Brian J Lenihan TD
Minister for Foreign Affairs
Iveagh House
DUBLIN

April 1980

I found our discussion on Tuesday very useful, and I am glad to have had the opportunity to get to know you. I am most grateful for all the care that was taken over the arrangements which helped the talks to be such a success. I think we both agreed that regular meetings of this sort are in our common interest, and I look forward to welcoming you in a few months when it is my turn to act as host.

Perhaps I can take this opportunity informally to emphasise a point which I regard as being of the first importance. I respect, though I made clear that I do not agree with, your view that a necessary element in the progress we are trying to make in Northern Ireland would be to involve your own Government in some way in the process. On the basis of my experience in negotiating with the parties involved since I took office, and in particular on the basis of what I learnt at the Conference, I have no doubt whatever that any overt involvement of your Government, or any commitment to such involvement, would extinguish immediately all co-operation from the Unionist side. I urge you to take this into consideration in any future steps which your Government may take, and in particular in any public statements of your own policy.

I look forward to meeting you again before too long.



19 MAY 1980

NEWS DEPT

DIO

NO 10 DOWNING STREET

Ireland

.....
Ireland
.....
RESIDENT CLERK

(*Jeg*)

CONFIDENTIAL

FROM DUBLIN 17/1200Z MAY 1980

TO IMMEDIATE F C O DESKEY 190000Z

TELEGRAM NUMBER 152 OF 17 MAY 1980

MI

BY TEL NO 152: MEETING BETWEEN PRIME MINISTER AND MR HAUGHEY.

1. THE TAOISEACH ASKED ME TO CALL ON HIM THIS AFTERNOON TO DISCUSS HIS MEETING WITH THE PRIME MINISTER IN LONDON NEXT WEEK. HE HAD WITH HIM WALLY AND I WAS ACCOMPANIED BY MY COUNSELLOR.
2. MR HAUGHEY OPENED BY EMPHASISING THE IMPORTANCE AND SIGNIFICANCE TO HIMSELF, AS A POLITICIAN, OF NEXT WEEK'S MEETING. HE NEEDED TO BE ABLE TO SHOW SOME ACHIEVEMENT FROM IT. MRS THATCHER WAS, HE REMARKED, POISED FOR FRESH ACHIEVEMENTS IN THIS AS IN OTHER FIELDS. HE POINTED TO THE IRANIAN EMBASSY SIEGE, WHICH UNDERLINED THE NEED FOR RESOLUTE ACTION AGAINST TERRORISM ON THE PART OF US ALL AND HAD BEEN AN EXAMPLE TO EVERYONE. HE ALSO REFERRED TO THE COLLAPSE OF THE DAY OF ACTION, WHICH HE DESCRIBED AS QUOTE A GREAT TRIUMPH UNQUOTE.
3. ON NORTHERN IRELAND, MR HAUGHEY RECALLED HIS THREE-LEVEL APPROACH:
 - (A) RELATIONS BETWEEN COMMUNITIES IN THE NORTH ~~SEE~~

(B) NORTH-SOUTH RELATIONS SEMICOLON

(C) RELATIONS BETWEEN DUBLIN AND LONDON.

FOR NEXT WEEK'S MEETING (C) WAS PERHAPS THE MOST IMPORTANT BECAUSE HE HOPED WE COULD RAISE OUR RELATIONS TO A NEW LEVEL OF COOPERATION AND ACHIEVEMENT. THE SITUATION WITHIN NORTHERN IRELAND WAS JUST QUOTE BLOCKED, DEAD UNQUOTE. A NEW OVERALL APPROACH WAS REQUIRED IF THERE WAS TO BE ANY PROGRESS. THE BASIC REASON FOR DEAD-LOCK IN NORTHERN IRELAND WAS THE BRITISH GUARANTEE. THERE WAS AN ANOMALY IN MR ATKINS' SAYING THAT HE COULD NOT PUT FORWARD THIS OR THAT PROPOSAL, BECAUSE NORTHERN IRELAND UNIONIST OPINION WOULD NOT ACCEPT IT. HOWEVER SKILLED AND ABLE MR ATKINS WAS, AND HE BELIEVED HIM TO BE BOTH, THE FACT WAS THAT THE UNIONISTS WOULD NOT MOVE SO LONG AS THEY HAD THE GUARANTEE.

4. MR HAUGHEY SAID THAT HE WOULD LIKE THE MEETING TO TAKE A FRESH LOOK AT OUR RELATIONS IN A MORE GENERAL CONTEXT. MOREOVER, IF PROGRESS WAS TO BE MADE, HE NEEDED SOME POLITICAL ADVANCE IN ORDER TO BRING HIS OWN SIDE ALONG WITH HIM, THERE WERE PEOPLE IN QUOTE VERY ENTRENCHED POSITIONS UNQUOTE ON THIS SIDE OF THE BORDER TOO, NOT LEAST IN HIS OWN PARTY. WHAT HE NEEDED IN FACT WAS SOMETHING ON THE GUARANTEE.

5. I SAID THAT FOR MR HAUGHEY TO GO TO DOWNING STREET WITH A PROPOSAL FOR THE REMOVAL OF THE GUARANTEE WOULD NOT BE WELL RECEIVED. HE IMMEDIATELY BACKED AWAY AND SAID QUITE SPECIFICALLY THAT HE DID NOT WANT CONFRONTATION ON THIS ISSUE. HE HAD IDENTIFIED FOR HIMSELF THE GUARANTEE AS THE STUMBLING BLOCK AND WHAT HE WAS LOOKING FOR WAS SOME WAY OF GETTING ROUND IT; PERHAPS IT WAS POSSIBLE TO CHIP AWAY AT IT, OR EVEN ADD TO IT. IDEALLY HE WOULD LIKE THE GUARANTEE TOTALLY WITHDRAWN; THIS WAS WHAT PERMITTED PEOPLE LIKE IAN PAISLEY TO BE SO OBDURATE, AND IF IT WERE REMOVED THE SITUATION WOULD BECOME FLUID AND FLEXIBLE. I REPEATED THAT WITHDRAWAL OF THE GUARANTEE WOULD NOT BE ACCEPTABLE. HE ACCEPTED THAT IT WOULD BE COUNTER-PRODUCTIVE FOR HIM TO GO TO HIS MEETING WITH MRS THATCHER WITH A SIMPLE PROPOSAL FOR THE REMOVAL OF THE GUARANTEE.

6. WE REMINDED HIM OF WHAT THE GUARANTEE WAS, VIZ ACCEPTANCE OF THE FACT THAT NORTHERN IRELAND MUST REMAIN PART OF THE UNITED KINGDOM SO LONG AS THE MAJORITY OF THE INHABITANTS WISHED IT TO BE SO. MR HAUGHEY REPLIED THAT HE WAS CERTAINLY NOT LOOKING FOR ANYTHING OTHER THAN A PEACEFUL SETTLEMENT BASED ON AGREEMENT AND CONSENT. HE RECOGNISED THAT IT WAS NOT POSSIBLE TO FORCE ANYONE INTO A SETTLEMENT THAT WAS NOT TRULLY ACCEPTED.

7. I ASKED MR HAUGHEY HOW HE SAW THE MEETING AS A WHOLE. I ASSUMED

THAT THERE WOULD BE NO FORMAL AGENDA BUT HAD HE ENVISAGED, FOR EXAMPLE, OPENING THE CONVERSATION ON THE INTERNATIONAL SITUATION? MR HAUGHEY REPLIED THAT HE CERTAINLY THOUGHT THAT HE AND MRS THATCHER SHOULD DISCUSS THE PRESENT STATE OF INTERNATIONAL TENSION QUOTE AS CONCERNED POLITICIANS UNQUOTE. HE RECALLED THAT DE VALERA AND CHAMBERLAIN HAD MET, IN 1939, IN WHAT COULD TURN OUT (THOUGH HE HOPED NOT) TO BE SIMILAR CIRCUMSTANCES.

8. I ASKED WHETHER MR HAUGHEY HAD ANYTHING TO ADD ON THE QUESTION OF THE RELATIONSHIP BETWEEN BRITAIN AND THE REPUBLIC, MR HAUGHEY DID NOT MENTION ANY SPECIFIC IDEAS BUT SAID THAT WE SHOULD CERTAINLY LOOK AT THIS IN THE CONTEXT OF WORLD TENSION.

9. I ASKED MR HAUGHEY WHAT HE HOPED TO BRING BACK FROM DOWNING STREET. HE SAID THAT HE COULD NOT BE PRECISE ABOUT THIS BUT EMPHASISED THAT HE REGARDED THE MEETING AS OF GREAT IMPORTANCE AND AS PART OF QUOTE AN ON-GOING PROCESS UNQUOTE; NOT AS A ONCE FOR ALL QUOTE MAKE-OR-BREAK UNQUOTE OCCASION.

10. ON THE NIGHT OF 16 MAY, NALLY REMINDED ME THAT HAUGHEY HAD SAID THAT NORTHERN IRELAND WAS HIS QUOTE FIRST POLITICAL PRIORITY UNQUOTE. HE MEANT THAT HAUGHEY DROPPED EVERYTHING IF SOMETHING OF IMPORTANCE CROPPED UP ABOUT NORTHERN IRELAND. DURING THIS WEEK HE CONCENTRATED ENTIRELY ON PREPARING FOR HIS MEETING WITH MRS THATCHER. HE HAD HAD MEETINGS WITH MINISTERS, CIVIL SERVANTS AND DEFENCE CHIEFS.

11. NALLY ASKED ME HOW I THOUGHT MY MEETING WITH HAUGHEY HAD GONE. I REPLIED THAT IT HAD BEEN VERY USEFUL. I AGAIN STRESSED OUR ATTITUDE TO THE SO-CALLED GUARANTEE. THERE COULD BE NO QUESTION OF WITHDRAWING OR MODIFYING IT. NALLY COMMENTED THAT HE WAS GRATEFUL I HAD SPOKEN AS I DID AT THE MEETING, AND HE HAD SPOKEN ON THE SAME LINES TO THE TAOISEACH AFTER OUR MEETING.

12. I ASKED NALLY WHAT HAUGHEY EXPECTED FROM THE MEETING WITH THE PRIME MINISTER. NALLY PONDERED THIS, SAYING IT WAS QUOTE A VERY PERTINENT QUESTION UNQUOTE. HE ADMITTED THAT HE DID NOT REALLY KNOW THE ANSWER, NOR, HE SUSPECTED, DID HAUGHEY. I WONDERED IF HAUGHEY WANTED TO SAY, AFTER THE MEETING, THAT IT HAD BEEN THE FIRST IN QUOTE AN ONGOING PROCESS UNQUOTE AS HE HAD IMPLIED DURING HIS MEETING WITH ME. NALLY REPLIED THAT HE THOUGHT THAT WAS SO, ADDING THAT HAUGHEY MIGHT ALSO LIKE TO SAY THAT THE TWO GOVERNMENTS WOULD QUOTE REVIEW THE SITUATION REGULARLY UNQUOTE. I SAID THAT THAT WOULD NOT GO DOWN WELL IN LONDON AND HE COMMENTED THAT QUOTE PART OF A CONTINUING PROCESS UNQUOTE WOULD BE A BETTER PHRASE THAN QUOTE REVIEWING THE SITUATION REGULARLY UNQUOTE.

13. NALLY STRESSED, IN THE COURSE OF OUR TALK, THAT HAUGHEY WANTED THE MEETING TO GO WELL AND TO BE SEEN TO HAVE GONE WELL. HE WAS ALSO SURE THAT THE TAOISEACH WOULD TRY TO SET THE NORTHERN IRELAND QUESTION IN A WIDER CONTEXT THAN HAD BEEN THE CASE BEFORE AND WOULD ADOPT THE QUOTE THESE ISLANDS UNQUOTE APPROACH.

14. COMMENT: I THINK THESE DISCUSSIONS CONFIRM WHAT I BELIEVE HAUGHEY'S OBJECTIVES TO BE AND WHICH WERE OUTLINED IN PARA 6 OF MY TEL NO 145. IT IS INTERESTING THAT HE DREW BACK VERY FAST INDEED ON THE MATTER OF THE ^{SO-CALLED} GUARANTEE. IT COULD BE SIGNIFICANT THAT NEITHER HE NOR NALLY MENTIONED IRISH UNITY. I THINK HE IS APPREHENSIVE ABOUT THE MEETING AND HOW HE WILL BE RECEIVED BY AND GET ON WITH MRS THATCHER. HE IS CLEARLY MOST ANXIOUS FOR THE MEETING TO GO WELL AND WILL SEEK TO BE STATESMANLIKE AND CORRECT IN HIS APPROACH. IT IS EQUALLY CLEAR THAT HE FEELS THE NEED TO BRING BACK SOMETHING WHICH CAN BE REPRESENTED TO HIS PARTY AS PROGRESS ON NORTHERN IRELAND AND/OR IN THE FIELD OF ANGLO-IRISH RELATIONS.

HAYDON

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Foreign and Commonwealth Office

London SW1A 2AH

16 May 1980

*F.C.O.
Pant*

Dear Michael,

TAOISEACH'S VISIT

I enclose two sets of briefs for the Prime Minister's Meeting with the Taoiseach on 21 May. The Steering Brief has been cleared with the Cabinet Office. Brief No 7, on European Community issues, cannot be finalised before this weekend's meeting of Foreign Ministers in Naples. We shall let you have it as soon as possible, together with a note on Iran if appropriate.

You should know that HM Ambassador has been summoned to see the Taoiseach this afternoon. He will be reporting by telegram. If this necessitates further briefing we shall let you have it on Monday.

I am copying this letter, with one set of the briefs each, to John Chilcot (Home Office), Bill Beckett (Law Officers Department), Brian Norbury (Ministry of Defence) and David Wright (Cabinet Office) and with two sets to Roy Harrington (Northern Ireland Office).

*Yours ever,
Myles /:*

M A Wickstead
Assistant Private Secretary
to the Lord Privy Seal

M O'D B Alexander Esq
10 Downing Street

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VISIT OF THE TAOISEACH

21 MAY 1980

LIST OF BRIEFS

1. STEERING BRIEF
Brief by Foreign and Commonwealth Office
2. REPUBLIC OF IRELAND: INTERNATIONAL POLITICAL SCHEME
(INCLUDING INDUSTRIAL RELATIONS)
Brief by Foreign and Commonwealth Office
3. POLITICAL PROSPECTS FOR NORTHERN IRELAND
Brief by the Northern Ireland Office
4. NORTHERN IRELAND: SECURITY
Brief by the Northern Ireland Office
5. ECONOMIC COOPERATION BETWEEN NORTHERN IRELAND AND
THE REPUBLIC
Brief by the Northern Ireland Office
6. NORTHERN IRELAND: THE INTERNATIONAL DIMENSION
Brief by Foreign and Commonwealth Office
7. COMMUNITY AFFAIRS
Brief by Foreign and Commonwealth Office
8. INTERNATIONAL AFFAIRS
Brief by Foreign and Commonwealth Office
9. UK/IRISH TRADE
Brief by the Department of Trade
10. WORLD ECONOMY
Brief by HM Treasury
11. INDUSTRIAL RELATIONS IN UK
Brief by Department of Employment

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Brief No. 1

Copy No. **1**

15 May 1980

VISIT OF MR C J HAUGHEY TD, AN TAOISEACH

21 MAY 1980

STEERING BRIEF

Brief by Foreign and Commonwealth Office

Introduction

1. Mr Haughey (pronounced Haw-He), accompanied by Mr Lenihan, Minister for Foreign Affairs, will arrive by Government aircraft on the evening of 20 May. There will be a small working lunch given by the Prime Minister at 10 Downing Street (guest list at Annex A) followed by a tête-à-tête discussion between the Taoiseach and the Prime Minister, with possibly one official on each side. The list of those attending the plenary meeting is at Annex B. Personality Notes are at Annex C. The Irish officials not attending the working lunch at No. 10 will be offered lunch in the Foreign and Commonwealth Office.

Agenda

2. A wide ranging discussion is envisaged: bilateral questions (including Northern Ireland), European Community Issues, and International Affairs. The Irish have indicated that the Taoiseach may wish to discuss industrial relations, Anglo-Irish trade and "the world economy", but clearly as part of an exchange of views rather than because there are significant Anglo-Irish differences on these issues.

/ Objectives

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Objectives

3. Prime Minister's aims :-

- (a) to establish a harmonious working relationship with the Taoiseach;
- (b) to encourage the Taoiseach to maintain the Garda's campaign against the IRA and to continue effective security cooperation;
- (c) to convince the Taoiseach :
 - (i) that the UK Government will defend the right of the people of Northern Ireland to remain in the UK for so long as the majority wish to do so;
 - (ii) that it is in his own interest to encourage and support our efforts to achieve political advance in Northern Ireland; and to persuade the SDLP seriously to consider alternatives to 1974 style power-sharing;
 - (iii) that the establishment of devolved Government in Northern Ireland would not be an obstacle to ultimate Irish unity if that were what the people of Northern Ireland wanted; but that calls for steps directed toward Irish unity (however distant) merely strengthen the determination of the Unionist majority and exacerbate suspicions of the Republic;
 - (iv) that Unionist opinion in Northern Ireland is neither moulded in nor controlled by Westminster;

/ (d)

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- (d) to persuade the Taoiseach that while we readily accept that he has a legitimate interest, any attempt to assert a measure of responsibility would have disastrous consequences;
- (e) to discourage therefore any suggestion of a joint Anglo/Irish initiative specifically related to Northern Ireland; but on the other hand to acknowledge that a lasting settlement requires not only reconciliation between the two communities in Northern Ireland but also improved relations between North and South and between the Republic and the UK as a whole;
- (f) to make it clear to the Taoiseach that HMG are ready to consider ways of developing the existing special relationship "within these Islands"; and any ideas he may have which are directed towards this end;
- (g) to ensure that the Taoiseach fully understands the UK position on the EEC budget question.

4. Taoiseach's aims :-

- (a) to establish, and be seen to establish, a relationship of trust and confidence with the Prime Minister - partly perhaps by demonstrating a robust line over terrorism. Possibly also by showing that he has constructive ideas on Ireland's role in Europe, including perhaps a readiness to

/ question

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question Ireland's traditional neutrality; and more generally, that he is a man to be taken seriously;

- (b) to convince the Prime Minister that a purely internal settlement in NI cannot be achieved and would not in any event suffice in the longer term; and that he is ready to contemplate dramatic and imaginative moves as a contribution to a solution;
- (c) to size up the Prime Minister, both to gain some idea of the steps HMG have in mind for Northern Ireland, and the determination with which they will be pursued;
- (d) to convince the Prime Minister that it is in the British interest to take account of the Republic's views; and that the Republic can make a real contribution to an acceptable solution;
- (e) to secure from the Prime Minister something which he can turn to his electoral advantage; ideally no doubt some qualification of the "negative guarantee", or acceptance by the Prime Minister of a special role for the Irish Government in determining the political future of Northern Ireland. But something less might be of interest to him, and he may want to explore other possibilities of demonstrating that the British and Irish Governments are "at last" working together to resolve the problem.

/ Handling of discussions

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Handling of discussions

5. The Taoiseach clearly attaches the highest importance to the meeting and has been at pains to see that nothing is said beforehand which might sour the atmosphere. The Prime Minister for her part will no doubt wish to listen carefully to what Mr Haughey has to say. It is likely that he will be especially careful over how he expresses his views on Northern Ireland, and he will not want to rush into this topic. Discussion over lunch might sensibly cover domestic economic and industrial relations policies and broad international issues. During the tête-à-tête meeting after lunch discussion might be limited to the EEC budget question and Northern Ireland. It is during this meeting that Mr Haughey may wish to expose his ideas for a new approach to the Irish question: possibly by indicating an interest in reversing the trend of Irish history over the past 60 years (an increasing separation between the Republic and the UK, and hence between the Republic and Northern Ireland), and moving towards a closer and "special" relationship. The Prime Minister could safely encourage him to develop such ideas, suggesting, if appropriate, that they might be further discussed by officials of the two Governments. Discussion of how we propose to proceed with the Northern Ireland negotiations might best be held in the full plenary session.

6. The key question overhanging the talks is whether the Taoiseach is looking for real progress towards Irish unity. This we simply do not know; he is playing the cards close to the chest. If he does press this issue he must inevitably be disappointed, but it will be important to let him

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down as lightly as possible. Irish cooperation with us on the security front has been given a significant boost since Mr Haughey came to power; it is at present good, and means a lot to us. A deterioration - whether declared, as a response to what he saw as our failure to be forthcoming, or an undeclared relaxation of the effort - would have serious consequences. A more unhelpful line internationally would also be unwelcome to us. A more optimistic scenario however is that the Taoiseach will be concerned primarily with "optics"; in that event also it will be in the Prime Minister's interest to give him any help she can, short of provoking serious trouble with Unionist politicians in Northern Ireland.

Press Arrangements

7. There will be considerable press interest. How the press should be handled can only be determined in the light of the way the talks have gone, but it is likely that a fairly bland joint communiqué will be appropriate. A draft is attached at Annex D. The Taoiseach plans to see Irish political correspondents and to hold a press conference at the Irish Embassy after the meeting.

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GUEST LIST FOR WORKING LUNCH
(1 pm for 1.15)

Prime Minister

Mr C J Haughey TD

An Taoiseach

Mr B Lenihan TD

Foreign Minister

Mr A O'Rourke

Secretary, Department of
Foreign Affairs

Dr E L Kennedy

Irish Ambassador in London

Mr D Nally

Deputy Secretary, Department
of the Taoiseach

Mr S P O hAnnrachain

Deputy Secretary, Department
of the Taoiseach

Lord Privy Seal

Secretary of State for Northern Ireland

Sir R Haydon

Mr K Stowe

Private Secretary

LIST OF THOSE ATTENDING PLENARY MEETING

UK side

Prime Minister
Secretary of State for Foreign & Commonwealth Affairs
Secretary of State for Northern Ireland
Sir R Armstrong, Secretary to the Cabinet
Mr K Stowe, PUS Northern Ireland Office
Mr W E Bell, Permanent Secretary, Northern Ireland
Civil Service
Miss J Kelly, Northern Ireland Office
Sir R Haydon, HM Ambassador, Dublin
HM Ambassador Designate
Mr M D M Franklin, Cabinet Office
Mr M J Newington, Head, Republic of Ireland Dept. FCO
Private Secretary

Irish side

| | |
|----------------------|--|
| Mr C J Haughey TD | An Taoiseach |
| Mr B Lenihan TD | Minister for Foreign Affairs |
| Mr A O'Rourke | Secretary, Department of Foreign Affairs |
| Dr E L Kennedy | Irish Ambassador in London |
| Mr D Nally | Deputy Secretary, Department of the Taoiseach |
| Mr S P O hAnnrachain | Deputy Secretary, Department of the Taoiseach |
| Mr F Dunlop | Government Press Secretary |
| Mr D Neligan | Department of Foreign Affairs |
| Mr W Kirwan | Department of the Taoiseach |
| Mr P Walshe | Department of the Taoiseach |
| Mr H Swift | Irish Embassy |

CHARLES J HAUGHEY: PRIME MINISTER (TAOISEACH)

Born 1925. Deputy since 1957; held portfolios of Justice, Agriculture, and Finance in the sixties. In 1969 and 1970, he was accused with others of conspiring to smuggle arms to the North and was dismissed from the Cabinet. He was tried and discharged but not entirely exonerated. Retained his influence and was appointed Minister for Health and Social Welfare in 1977. Elected leader of Fianna Fail on 7 December, and Taoiseach on 11 December 1979.

Personality background in Sir R Haydon's despatch annexed to brief no. 2.

BRIAN LENIHAN: MINISTER FOR FOREIGN AFFAIRS

Born Dundalk 1930. Deputy 1961-1973; until losing seat in 1973 election, ranked third in Fianna Fail and tipped as future Taoiseach. Performed abysmally as Senator 1973-1977. Minister for Fisheries and Forestry 1977; appointed Minister for Foreign Affairs, December 1979. A voluble and glib speaker, charming and quick-witted but with little judgement or tact.

ANDREW O'ROURKE: SECRETARY (PUS), DEPARTMENT OF FOREIGN AFFAIRS

Born 1931. Entered DFA 1957 after service in Departments of Finance and Education. Served in Berne, London, and as Permanent Representative EEC Brussels before returning to Dublin in 1978. Promoted rapidly; intelligent, objective.

EAMON LUCAS KENNEDY: IRISH AMBASSADOR, LONDON

Born Dublin 1921. PhD 1970 in History of Economic Thought, with thesis on Marxian Value Theory. Entered DFA 1943. Served in New York, Ottawa, Washington, Paris, UN, Nigeria, West Germany, France. Able, professional diplomat.

DERMOT NALLY: DEPUTY SECRETARY, TAOISEACH'S OFFICE

About 50 years old. Appointed to Taoiseach's Office 1972. Policy coordinator. Intimately concerned with Northern Ireland policy, besides foreign and economic policy. Discreet, loyal and sensible.

Draft Joint Communiqué

The Prime Minister, the Rt Hon Margaret Thatcher MP, had discussions today 21 May at 10 Downing Street with the Taoiseach, Mr Charles Haughey TD, who was accompanied by Mr Brian Lenihan TD, Minister for Foreign Affairs. The Rt Hon The Lord Carrington, Secretary of State for Foreign and Commonwealth Affairs and the Rt Hon Humphrey Atkins MP, Secretary of State for Northern Ireland, were present. The talks were preceded by a working lunch, also attended by the Rt Hon Sir Ian Gilmour Bt. MP, the Lord Privy Seal.

The talks covered bilateral and European Community issues as well as current international problems of concern to both Governments. The Prime Minister and the Taoiseach had a useful and constructive exchange of views on the efforts being made by the two Governments, both separately and in cooperation, to stamp out terrorism; and on the UK Government's intention to transfer to the people of Northern Ireland greater responsibility for the conduct of their own affairs. They recorded agreement on the importance they attach to the unique relationship between the ~~peoples of Great Britain,~~ ^{U.K.} Northern Ireland and the Republic, and on the need to develop this relationship in the interest of peace and reconciliation. The Prime Minister and the Taoiseach agreed to remain in regular contact over these issues.

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Brief No. 2

Copy No. 1

VISIT OF MR C HAUGHEY TD, AN TAOISEACH: 21 MAY

REPUBLIC OF IRELAND: INTERNAL POLITICAL SCENE

Brief by Foreign and Commonwealth Office

ESSENTIAL FACTS

1. HM Ambassador's Despatch of 9 April (attached) described Mr Haughey's rise to power (paragraphs 1-8) and his character, conduct and prospects (paragraphs 9-20). His policies on Northern Ireland are dealt with in a separate brief.
2. Mr Haughey must go to the country by mid-1982 at the latest. His overriding aim must be to lead Fianna Fail to victory, but his chances of achieving a significant improvement in the Irish economy within two years are at best doubtful. There is speculation in Dublin therefore that he may be contemplating a much earlier election, and that the outcome of his meeting with the Prime Minister will be an important factor in his decision.

Economic Problems

3. Fast economic growth, but rapid acceleration from low base disguises severe social and structural problems. Irish Republic hit especially hard by 1979 oil price rises: gap in visible trade widened; sharp increase in balance of payments deficit; consumer price index up 15.5% February 1979 - February 1980 and rising. Fiscal mismanagement alienated farmers and unions. But unemployment down in 1979 and investment up 14%.
4. Mr Haughey has made it clear that he rejects Mr Lynch's economic policy, and that he is handling economic affairs himself. February budget announced cuts in public expenditure, sharp increases in indirect taxation and changes in income tax

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structure to reduce disparities between farmers and the disgruntled PAYE sector, who carry an unfair share of the tax burden.

Industrial Relations

5. 1979 was the Republic's worst year for man-hours lost through industrial disputes - most in public sector, including 18-week postal strike. Irish workforce highly unionised. Much effort secured National Understanding July 1979 (similar to Social Contract), establishing broad guidelines for wage increases. But guidelines are often exceeded as skilled labour in short supply. Mr Haughey's Government has so far tended to buy off strikers: but budget set £100m. ceiling for public sector pay increases. Government has been considering industrial relations legislation, but is unlikely to take action unless and until such legislation is introduced in UK.

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BRITISH EMBASSY,
DUBLIN.

9 April 1980

The Right Honourable
The Lord Carrington KCMG MC
etc etc etc

My Lord

CHARLES J HAUGHEY: "THE GREATEST COMEBACK SINCE LAZARUS" -
IRISH JOURNALIST

1. In mid-December Charles J Haughey was elected leader of the Fianna Fail Party and Taoiseach. It is now time to assess the circumstances of his rise to power, his record during his first hundred days and prospects for the future.

Haughey's Career

2. Haughey's election as Taoiseach was the culmination of an extraordinary comeback in public life after the Arms trial in 1970. That event was a big setback in a career which at one time seemed to be leading straight to the Taoiseach's office in the late '60s. After his marriage to Sean Lemass' daughter in 1951 he soon rose within the Party. He was elected to the Dáil in 1957 and formed part of the group of young men who were coming to prominence in the Party in the '60s. He held important ministerial office from 1960-70. He was a tough Minister for Justice and an able Minister for Finance. He built an enviable reputation for getting things done. Then, in 1966, he failed to become Taoiseach, when Jack Lynch was appointed as a caretaker essentially because Blaney, Haughey and Colley could not settle the succession between themselves. At that time Haughey had no Republican credentials at all. He was seen as a get-rich-quick businessman lacking links with Fianna Fail's Republican past; in contrast to Colley and Blaney.

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3. Did his ambition cause him to decide to acquire such credentials when a plausible opportunity arose? We do not know. At all events in May 1970, together with two other Ministers, Gibbons and Blaney, he was involved in an alleged conspiracy to import arms for the IRA in Northern Ireland. Haughey was acquitted, but it is generally accepted that the defendants were guilty of some kind of conspiracy, though the details remain unclear. Haughey was relegated to the back benches in disgrace and all seemed lost. Yet slowly he managed to rehabilitate himself. He started by travelling round the Fianna Fail constituencies all over the Republic, doing favours and winning friends. This was possible because he was never really condemned by the rank and file of the Party, of whom an important element cherish extreme Republican views.

4. In 1972 Haughey was elected Vice-Chairman of the Fianna Fail Party and in 1975, following the coalition election victory, Lynch, greatly against his will, agreed to allow Haughey back on the front bench as Shadow Spokesman on Health and Social Security. During all this period Haughey carefully avoided making any remarks about the North. When Fianna Fail returned to power in 1977 Haughey became Minister for Health and Social Welfare. He distanced himself from the Government's increasingly unsuccessful attempts to improve the economy and used his position cleverly to publicise his own achievements. So, by the time the leadership election occurred, he had re-established the image of a highly efficient Minister who got things done.

The Leadership Campaign

5. Analysis of the circumstances which led to the change of leadership is difficult because we do not know all the relevant details. But the main elements are now fairly clear: agitation for a change in leadership among a group of Fianna Fail backbenchers began at least as early as mid-1979, in the aftermath of Fianna Fail's disastrous showing in the local and Euro-elections held simultaneously

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in June. The mainspring of backbench discontent was the Government's poor record on economic and social problems. But there was also a distinctively "Republican" strand of feeling based on dissatisfaction with Lynch's approach to Northern Ireland (the "national question"), especially his backing away from the Fianna Fail policy declaration of 1975, one element of which was to seek a British commitment to withdraw from the North. This strand, egged on by the media, became especially prominent in the aftermath of the discussions on border security cooperation between the British and Irish Governments in September/October. Thus it was alleged that Lynch had agreed to the overflying of the Republic's territory by British helicopters within a so-called "air-corridor" along the border and so had accepted a derogation of Irish sovereignty. In September, Sile de Valera, a young Fianna Fail TD and grand-daughter of the late President, voiced strident criticism of Lynch's alleged softness on the North: she was called to order but remained unrepentant. Later, when Lynch was away in the States, another backbencher Bill Loughnane publicly criticised Lynch for allegedly revealing more in Washington about North-South security cooperation than he had to the Dáil. Colley, who was acting for Lynch in his absence, wanted to expel Loughnane from Fianna Fail for this insubordination. But a Parliamentary Party meeting refused to do so, partly at least because Gibbons had previously escaped scot-free for refusing to support Haughey's contraceptive bill in an incident filled with echoes of the 1970 Arms trial.

6. There were also persistent stories that Lynch was fed up (his outspoken wife, Maureen, was to a large extent responsible for these), suffering from the Irish "thirst problem" or ill. I think he was fed up and he certainly showed signs of losing his grip on both the Party and the running of the country.

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7. So the writing was then already on the wall for Lynch, and probably also for Colley as his successor. Jack Lynch told me that he could have soldiered on but that as he and his wife had decided to announce his departure on 7 January, advancing it did not make much difference. The Party wanted a new man to lead them into the next election and it was, therefore, time for him to go. He also admitted that he knew things as a whole had not been going well in the country. Moreover, he said his wife had "wanted me out for 25 years!". This reasoning was confirmed or at least echoed in conversations I had with Mrs Lynch, Colley, Joe Brennan (the Speaker), Garret FitzGerald and many others. It is probably the truth or as near as we are likely to get to it. There is another important factor. When Lynch decided to go and indeed right up to the election of Haughey, he believed Colley would succeed him.

8. There is no doubt that his resignation was hastened by the revolt within the Party. I do not have firm proof that, as was widely rumoured, Haughey himself was manipulating Miss de Valera, Loughnane and others from behind the scenes, though I am inclined to suspect that he did take a hand. Haughey was the backbenchers' obvious candidate as Lynch's replacement. His involvement in the arms smuggling affair of 1969/70 gave him impeccable credentials as a Republican: his successful tenure of several major Departments (including Finance and Agriculture) in the 1960s and his status as a self-made millionaire singled him out as a leader who should be able to get the economy right. Nonetheless, many thought that when it came to the crunch the events of 1970 would be his Chappaquidick. They were wrong, but his success was deeply divisive. As the voting figures indicate - 44 to 38 - his victory over George Colley, the

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This is a copy. The original has been extracted and closed, 40 years.

only other candidate, split the Party down the middle. Not only that: all but two or three of the Ministers in the outgoing Government voted for Colley. The bitterness of the contest was made more acute by the fact that the two men had been rivals for the Party leadership once before in 1966, that they were on opposite sides in the 1970 crisis, which also split the Party down the middle, and they both saw this as probably their last chance to get the top job.

Haughey's Character

9. What sort of man is Charlie Haughey? The truth is not easy to establish. I have had little opportunity to observe Haughey really closely. Nevertheless, it is possible to build up a picture of his character as a man. His predominant characteristic seems to be a calculating and ruthless ambition: there is no secret that the office of Taoiseach has been the overriding objective of his life. He seems to have few real friends but appears to surround himself with a close-knit and faithful coterie of associates, whom he dominates by force of character *~~~~~* He uses them to project his image within the Party and the country. Indeed his ability to handle the press and project his image is of crucial importance in understanding him and his appeal. He has become pretty sophisticated, and would like to be more so. *~~~~~*

~~~~~\* his present fortune derives in part from property speculations undertaken while he was Minister for Finance. He has acquired a taste for the good things of life, not least as a racehorse owner and a rider to hounds. He collects pictures and antique furniture. I am told his house is a showplace and in very good taste. He dresses well and is immaculately turned out. He speaks softly and fluently and has a nice sense of humour. \*~~~~~\*

~~~~~\* Paradoxically he has become a puritan in recent years in other directions - notably in a near total abstention from alcohol and tobacco, though he used to be a heavy drinker.

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under FOI Exemptions.

Wayland

10. However, he lacks respectability and though this attracts some it repels others. FitzGerald spoke in the Dáil of Haughey's "flawed pedigree". It was a shrewd thrust. I have met him several times and had more than half an hour with him, à deux, recently. I have the impression that he wants to be accepted, especially by the British.

11. To sum up, I think he is a tough, clever, wily man, no friend of ours, but not, perhaps, actively hostile. He is conscious of his shady past (and present!). Perhaps there is something in what one columnist wrote recently - that he is "Ireland's answer to JR".

Haughey's record since taking office

12. His style of government is more presidential than Lynch's. He keeps a tight rein on the activities of his Ministers and controls things from the centre. He is also more decisive and concerned with detail. But the first months of Haughey's administration have been more remarkable for their style than for their content: the most striking feature of his economic policy has been the way in which he has sought to evade responsibility for the policies of the Lynch administration. We have the feeling that his is the economic policy of a new Government which has just taken power from a rival at a general election rather than a successor Government from the same Party.

13. His remarks on Northern Ireland have not been as bad as some people feared. Although he downgraded the importance of the conference of political parties in the North, he has not laid any emphasis on the 1975 formula of stressing the need for a British commitment to withdrawal. Furthermore, he has condemned the Provisional IRA, by name at his inaugural press conference, and by implication in his Ard Fheis speech. Most

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important, his accession has not harmed security cooperation between the RUC and the Garda which seems, if anything, to have improved.

14. In general, very little is known by the public and, I find, by top officials too, about his real intentions and aims. The cards are held very closely to the chest.

The Future

15. How will Haughey address the major problems facing the Irish Government? In my view, the driving force behind everything he does in future will be his total commitment to win the next election which must take place by June/July 1982. If he loses, his political career may be over, since the divisive circumstances of his election impose on him a heavier than usual obligation to deliver the goods to his Party.

16. Fianna Fail's electoral chances, whenever Haughey decides to go to the country, will depend crucially on his success in dealing with two areas of policy:-

- (a) The complex of problems loosely referred to as "the economy";
- (b) The "national question".

17. Neither of these two problems is entirely within his control: success in managing the economy is heavily bound up with factors outside Irish control, eg the cost of energy has risen from 2% to 7% of GNP over the last 12 months. The Taoiseach has already made energy a priority but it is difficult to see what can be achieved within the electoral timespan. Even if current drilling in the Porcupine ridge confirms commercially exploitable quantities of oil, this cannot be ashore and contributing to the Irish economy before the mid-80s. If, as

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many believe, the economy is unlikely to "come right" in the time available it is argued that the possibility of an early election is increased, in the autumn or even the late spring, once the current constituency redistribution has been carried out. But the opinion polls tell us that Fianna Fail might well lose an election held at the moment. We therefore have to consider the possible electoral importance of Northern Ireland.

18. Using an external bogey to distract attention from internal problems is a tactic as old as the hills: but I am not sure that a strong verbal attack on the British presence in the North would necessarily, by itself, be an electoral winner. For years Fine Gael have been held to be suspect on the North: there has been a suspicion that they were soft on the British. But with Garret FitzGerald's well articulated policy for a confederal Ireland, Fine Gael are now in a position to point to their policy and refute old suspicions. Indeed in his recent Ard Fheis speech Dr FitzGerald attacked Haughey's policy as mere verbal Republicanism and challenged him to produce a clear alternative or espouse Fine Gael's policy. So if Haughey adopted an extreme Republican policy he would face a major fight with FitzGerald on ground where FitzGerald is strong: FitzGerald is well known to care and have more knowledge about the North and to visit it more frequently than any other politician. And, of course, there is not a shadow of a suspicion about the strength of his opposition to the IRA. I should have thought that to tangle with FitzGerald was not a prospect that Haughey would relish, unless there was no alternative.

19. Nonetheless, it must be remembered that Haughey was elected partly to do something about the North and now, in what amounts to the pre-electoral period, he must be seen to do something. So

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far he has launched the "diplomatic initiative" which, up to now, has caused us relatively little grief but keeps the faithful happy. They will be looking for more in due course. That is why the Taoiseach urged publicly that our two Governments should get together to solve the problem; and why he is so anxious to have talks with the Prime Minister. At the Ard Fheis, Haughey described a peaceful solution for Northern Ireland as the "first political priority" and only last week he told a visiting group of British MPs that the man who solved the North would be seen as a saint; adding that he rather fancied canonisation.

20. Thus it would seem that the chances are that Haughey will try to pursue a constructive policy on the North for the moment, hoping to capitalise electorally on any semblance of progress, while remaining ready at any time to revert to a more Republican posture to satisfy the Party faithful. We may not care about Haughey's electoral prospects, but we should remember that in one respect he could be helpful to us. He is probably best placed to secure the agreement of the more Republican wing of his Party to any acceptable solution we can devise for the North: and that is a consideration.

21. I am sending copies of this despatch to the Secretary of State for Northern Ireland and HM Ambassador at Washington.

I have the honour to be
My Lord
Your obedient Servant

Robin Haughey

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REPUBLIC OF IRELAND: VITAL STATISTICS

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| Population | : | 3,364,881 (1979 census) |
| President | : | Patrick J Hillery (elected 1976: 7 year term of office) |
| Bicameral legislature | : | lower house - Dáil 148 upper house - Seanad 60 |
| Political parties in Dáil after June 1977 elections and November 1979 by-elections | : | Fianna Fail 83 (Prime Minister: Mr C Haughey) Fine Gael 45 (Leader: Dr G Fitzgerald) Labour 16 (Leader: Mr F Cluskey) Independents 4 |
| <u>Economic Statistics</u> | | |
| Export market | : | UK's 5th largest (value £2555m.) |
| UK's share of Irish market | : | 50% |
| Deficit in balance of trade (1979) | : | £1194m. |
| Deficit in balance of payments (1979) | : | £663m (1978 £150m surplus) |
| Unemployment (March 1980) | : | 10% (91,575) |
| GNP growth (1979) | : | 3% |
| Inflation | : | Consumer price index up 15.5% Feb 1979 - Feb 1980 (10.8% Feb 1978 - Feb 1979), rising. |
| Main employment sectors | : | 20.6% agriculture, forestry and fishing 18.3% manufacturing 15.2% commerce and finance |
| Growth in manufacturing output (1978-9) | : | 6.7% |
| Gross domestic fixed asset formation (1978-9) | : | 14% |
| <u>Defence Forces/Garda (Irish Police)</u> | | |
| Army | : | Regular 12,421 Reservists 20,153 |
| Navy | : | Regular 588 Volunteer Force 598 |
| Air Corps | : | 700 |
| Garda | : | 9,000 |

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Brief No. 3

15 May 1980

Copy No. 1

VISIT OF MR C J HAUGHEY TD, AN TAOISEACH

21 MAY 1980

POLITICAL PROSPECTS FOR NORTHERN IRELAND

Brief by Northern Ireland Office

Points to Make

1. The Government are determined to achieve some political advance in Northern Ireland soon. We cannot continue to run affairs from London, allowing local political life to wither away.
2. We cannot impose a settlement, and have no secret plan to impose. No answer will satisfy everyone, and no one can have an absolute veto but we are seeking an answer broadly acceptable to both parts of the community.
3. We shall not compromise on this fundamental point that Northern Ireland is and will remain part of the United Kingdom for so long as that is what the majority want. We shall stick to the principles set out in our Working Paper, which have secured widespread acceptance in Northern Ireland, Great Britain and internationally.
4. The Conference has clarified many practical issues. We can put forward the Governments proposals for further discussion; we shall do so in the next few weeks.
5. There will be more talking to be done. Great care is needed. Collapse could lead to increased violence both sides of the border.
6. The gap persists between the Unionists, demanding that a simple elected majority should form an Executive, and the SDLP calling for power-sharing in the sense of seats at the top table as of right for minority representatives. Neither may be acceptable, and neither would work in practice if HMG tried to impose it.

7. In these circumstances progress may only be possible by enabling minority to share power by other means - the symbol of "seats at the top table" would have to be sacrificed because it is simply not in HMG's gift. But in reality the minority's interests may be better catered for by other means than having 2 or 3 seats in an Executive where they could be prisoners of the majority.

8. The Irish Government can, both publicly and privately, play major role in influencing SDLP positively (and, unless they are careful, Unionists negatively) when next stage of consultation opens. Important to look pragmatically at reality of proposals - what effective power will they give the minority - rather than continue to demand the symbol the Unionists will not accept.

9. Also important to place search for devolved government in wider context. HMG wants friendly developing relations both between North and South and between Britain and Ireland. That is only possible if Northern Ireland's internal problems are settled to satisfaction of both communities.

10. Therefore acceptable local administration in Northern Ireland is essential first step. If discussions break down and it is not achieved, everybody will suffer.

11. Only when Northern Ireland has an acceptable administration will people there be able sensibly to consider the longer term future. They need a secure basis to do so if relationships are to develop beneficially.

12. HMG's position therefore is as follows:

a) we cannot promote Irish unity as long as the majority in the North do not want it. At present it would be counter-productive, arousing acute Unionist suspicions and increasing their intransigence.

b) we would not favour a joint Anglo-Irish initiative specifically related to Northern Ireland. It would blur the fact that the responsibility for Northern Ireland lies with HMG: we cannot concede Dublin a negotiating role.

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(c) Nevertheless we recognise:

- (i) the Irish Government's legitimate interest;
- (ii) the need for reconciliation, both within the community in the North and between North and South.

(d) We believe that this longer-term reconciliation can best be promoted by a positive initiative to improve relations between the Republic and the UK.

13. We are ready to explore any ideas to this end. [The Taoiseach may make suggestions for eg a Council of the Islands (of GB and Ireland), for common British/Irish citizenship, for Irish adherence to NATO_7. These are far-reaching concepts. But the British/Irish relationship is a unique one, and there is plenty of room for development of it. We will gladly join (eg through talks between officials) in examining where these ideas might lead. Our only condition would be that it should be understood that they would not question the responsibility of the UK for the Government of Northern Ireland, or the right of the people living there to remain in the UK.

14. Such parallel discussions would not alter or replace HMG's present aim of restoring local democratic control in Northern Ireland, which HMG sees as a desirable step in its own right. They would complement it. It would be a friendly gesture if the Irish Government were to use its influence with the SDLP to persuade them that the interests of the minority would best be served by a willingness to participate in a system of government which gives them real power.

15. There is also room for development on economic matters, especially energy (see separate brief); this can only conduce towards a better understanding. The same is true of the intensification of our joint efforts to deal with terrorism in Ireland (see separate brief).

BACKGROUND NOTETHE CONFERENCE

1. The Government's approach remains as set out in the Conference Working Paper. Direct rule is a "second best" system. The Government is therefore seeking to transfer responsibilities to locally elected representatives. The transfer must be carried out in a way that is acceptable to both parts of the community; it therefore follows that there can be no return to the pre-1972 arrangements or to the same power sharing arrangements that obtained in early 1974, neither of which are acceptable. Variations on one or the other, however, may be possible - if they are acceptable.

2. The purpose of the Conference was to establish the highest level of agreement on the means by which the transfer of responsibility might be carried out. Three of the four parties attended. The Official Unionists declined the invitation on the grounds that, given the firmly held views of all concerned, there was little that the Conference could usefully achieve. In fact, the Conference met for 34 sessions over a period of 2½ months, until its adjournment on 24 March. The Secretary of State was able to establish important areas of agreement between the parties and all of the participants emerged with a much clearer understanding of each other's points of view. As was to be expected, the one major stumbling block which remains is the question of power sharing: the Democratic Unionist Party are adamant that it should be for the party or parties who can command a majority in the Assembly to form an Executive or Cabinet. Alliance and the SDLP, on the other hand, are insistent that the minority should share power at the highest level.

3. The next stage will be the publication of further proposals, consisting of a narrower range of options than those put forward in the Conference Working Paper. Publication should be in June, in good time for the debate on the renewal of the direct rule arrangements. There will then be further consultation, involving political parties in Northern Ireland and others. The Conference may be reconvened in the early autumn. The firm intention is to work towards a White Paper and legislation in the next session.

4. Our strategy will have to be carefully formulated, given the fundamental point of disagreement that remains between the parties. We need to keep those who were at the Conference in play, and bring in the Official Unionists. For this reason the Government's proposals cannot be so firm as to suggest that the Government has come down in favour of a particular solution which will prove unacceptable to one side or another. Rather, the proposals will be aimed at continuing discussion in a further effort to obtain the agreement between the parties that is essential if a new system of government is to be established with real hope of stability and durability.

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BACKGROUND NOTE BY FOREIGN & COMMONWEALTH OFFICE

THE TAOISEACH'S POLICY ON NORTHERN IRELAND

1. The Taoiseach's only substantive policy statement was made in his Ard Fheis (Ardesh) speech on 16 February. The text is attached.
2. No Irish politician can afford not to declare his commitment to Irish unity. Mr Haughey did so in less contentious terms than many expected, but his speech was firmly in the tradition of "verbal republicanism"; a tradition which has for 60 years been associated with policies designed to assert Irish independence from Britain; and which in turn have tended to widen the gulf between North and South and hence made Irish unity an increasingly unrealistic prospect. The most recent example (in Mr Lynch's time) was the decision to join the EMS exchange rate mechanism, which led to the ending of parity between the Irish and British currencies.
3. It may be misleading to infer too much from differences between Mr Haughey's and Mr Lynch's public statements. But Mr Haughey has seemed less ready than Mr Lynch publicly to endorse the principle that Irish unity can come about only with the full consent of the majority in the North (though he has refuted any suggestion of coercion). And he has been somewhat cooler towards the idea that the creation of a devolved administration in Northern Ireland would be a useful step towards a final settlement. Perhaps for this reason he has not so far given public support for the SDLP's power sharing concept, though he would certainly support the SDLP argument that ultimately a settlement can only be achieved by a joint effort of the two sovereign governments and representation of the two traditions in the North. In general however it would be a mistake to suppose that the SDLP are ready to take orders from Dublin, or vice versa.

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4. The key question about Mr Haughey's policy is whether he is serious in wanting to make real progress towards some form of Irish unity. If so he would need to break with the tradition of verbal republicanism and embark on a determined effort to "woo" the Northern Unionists - a course which would not necessarily be popular in the Republic. But whatever his long term aims, his immediate concern is to lead his party to victory at the next general election; and he will be hoping to turn his meeting with the Prime Minister to his electoral advantage (not necessarily at her expense).

5. We cannot exclude the possibility that Mr Haughey will press the Prime Minister to make some concession on the negative guarantee (or to express an interest in ultimate Irish unity), using such leverage as he has over security cooperation; or that, returning empty handed, he will adopt a sharply more republican posture, cut back on security cooperation, and seek to pillory Britain internationally, e.g. over human rights issues. But there is no firm evidence that this is his intention (though some Dublin officials fear he may end up this way). And it is questionable whether it would in fact be to his electoral advantage. He faces Dr Garret Fitzgerald who has a solid reputation not only for knowing something of the North but also for having tried to do something about it (Sunningdale). Mr Haughey might well calculate that he would stand to lose more respectable middle of the road votes than he would gain from committed republicans.

6. It is more likely therefore that Mr Haughey will want to project a statesmanlike image and to convey the impression that (at last) the British and Irish Governments are working together towards a resolution of the problem. His problem will be to find a way of lending credibility to such an impression, given the certainty (as he will have been advised) that there is no question of the Prime Minister making any concession on the constitutional issue. It is in this context therefore that

/ Mr Haughey

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Mr Haughey may want to explore possibilities for widening the basis of discussion. He has indicated a readiness to consider imaginative, radical or even revolutionary solutions, but there is much uncertainty as to what he means in practical terms. He may argue that there is a need to recognize the common interest of the two Governments in improving -

- (a) the relationship between the two communities in Northern Ireland;
- (b) the relationship between North and South;
- (c) the relationship between the Republic and Britain (or, more probably, between the "two islands"):

7. This is an argument which no-one would wish to refute. The problem arises over the linkage with the practical problems of Northern Ireland. There have been hints for example that Mr Haughey might suggest a "Council of the Islands" - reflecting no doubt a feeling that this might be less unacceptable to Northern Unionists than the ill fated "Council of Ireland" agreed at Sunnigdale. It is not clear however whether this is conceived as comprising representatives of the UK, and Irish Governments and of a Northern Ireland Executive (which might well be acceptable) or as including representatives of the "two traditions" in the North (which would not).

8. A similar lack of clarity is evident over Mr Haughey's ideas on common citizenship and defence cooperation, including even the possibility of Ireland joining NATO. But there is no reason why we should not show readiness to have such ideas discussed in greater detail if that is what Mr Haughey wants.

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[TEXT]

NORTHERN IRELAND: IRISH GOVERNMENT POLICY

MR HAUGHEY'S PRESIDENTIAL ADDRESS TO THE FIANNA FAIL AND
PHEIS: 16 FEBRUARY

1. Following is the text of Mr Haughey's remarks about
Northern Ireland.

BEGINS

We must all be conscious of the fact that even as we
gather here, the tragedy of the North continues. Violence,
suffering and death are a normal part of everyday life.
There are whole neighbourhoods which can hardly remember
normal conditions and where thousands of young people have
grown up knowing only tension and strife.

The need for a solution becomes increasingly urgent.
Unless one can be brought forward soon the situation could
well become irretrievable. We know from history that, under
such stresses it is possible for society to deteriorate

/beyond

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beyond recovery. In the view of some observers, Northern Ireland may well be on the verge of such a phase.

All but a tiny minority understand that violence can never bring a solution and that it serves only to perpetuate division and hatred.

Let us make it absolutely clear that no Irish Government will tolerate any attempt by any group to put themselves above the law or to arrogate to themselves any of the functions of Government.

There is one army in this state, one police force and one judiciary, appointed under the constitution, to uphold our laws. The Government, acting for the people, will ensure that these laws are effective and are enforced. Democracy will be defended and the rule of law upheld. That is an essential element of national policy.

For over sixty years now, the situation in Northern Ireland has been a source of instability, real or potential, in these islands. It has been because the very entity itself is artificial and has been artificially sustained. In these conditions, violence and repression were inevitable.

The picture is a depressing one. Agriculture and industry in Northern Ireland now produce less than in the early 1970s. The population has been static or has fallen. Unemployment in some places is more than 20%.

In these conditions feelings of hopelessness, isolation and despair among individuals and families can become so deep and so widespread that the will to restore the values and relationships of a normal society may well disappear over large areas and leave behind communities which are utterly deprived in human and social terms.

Surely the fine people of Northern Ireland deserve better than this.

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The situation is urgent because time is running out. The time for a solution is now and that solution can only come through political action.

Should the present Constitutional Conference help to ensure the civil rights and equality for all the people of Northern Ireland and to ensure also that security operates impartially, then so much the better. But the Conference itself cannot provide a conclusive settlement. We must face the reality that Northern Ireland, as a political entity, has failed and that a new beginning is needed. The time has surely come for the two sovereign Governments to work together to find a formula and lift the situation on to a new plane, that will bring permanent peace and stability to the people of these islands. No settlement can be contemplated now which merely sows the seeds of future discord.

There are massive financial, security and constitutional questions to be solved, guarantees to be worked out. But a start must be made. In my view, a declaration by the British Government of their interest in encouraging the unity of Ireland, by agreement and in peace, would open the way towards an entirely new situation in which peace, real lasting peace, would become an attainable reality.

For our part, we gladly declare that we have no wish to dominate or coerce. The evils of domination and coercion at the hands of others are too deeply embedded in our folk memory for us ever to start down along that reprehensible road.

Let me also say that in any discussion or negotiation which may be embarked upon, or any settlement which may be proposed, the safety and welfare of our fellow countrymen of the Protestant faith in Northern Ireland would be for me, personally, a special priority. I have lived among them as a boy. I know their qualities. I admire their virtues. I understand their deeply held convictions. It would be my concern to ensure that their place in the Ireland of the future was secure; that their talents

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industry were given every opportunity to flourish; that their traditions were honoured and respected.

Northern Ireland casts a long dark shadow into every corner of these islands. The effects of the violent and unstable situation there are felt in a hundred different ways.

Because of it, political life in this part of the country is a great deal less fruitful and constructive than it would otherwise be. We are forced to accept unpalatable measures, restrictions and curtailments of freedom that are alien to our outlook and our character.

In the economic situation that confronts us, the cost of the security measures directly attributable to the Northern situation - about £70 million - is becoming increasingly onerous to bear. It represents an allocation of scarce resources that could well be used for many urgent desirable social purposes. Northern Ireland distorts official relations between Britain and Ireland. It hinders too the development of friendship and cooperation at every level between ordinary people in these islands who have such a great deal in common and who have such close personal ties going back over many generations.

Perhaps more than anything else however, the situation in the North prevents the coming together of all our cultural traditions in a full flowering and the harnessing of the energies of all the people of this island in a combined effort for their betterment, their welfare and their happiness.

We look forward to some new free and open arrangement in which Irish men and women, on their own, without a British presence but with active British goodwill, will manage the affairs of the whole of Ireland in a constructive partnership within the European Community.

This Government see Northern Ireland as the major national issue and its peaceful solution as our first political priority.

BACKGROUND NOTEIRISH GOVERNMENT ROLE IN NEXT STAGE OF CONSTITUTIONAL DISCUSSION

1. Although they can have no formal role in the consideration of HMG's proposals for further discussion, the Irish Government has it within its power to wield a considerable influence. Through its close links with the SDLP it can affect the response of that party to the new proposals. And because of Unionist suspicions of Dublin involvement, it can also fan fears to the extent that Unionists might feel obliged to withdraw from further discussion.
2. The influence of the Irish Government is potentially both negative and positive. A negative response from Dublin to HMG's new proposals would undoubtedly reinforce the SDLP's own natural reservations about anything that does not guarantee seats for minority representatives in any future local Executive.
3. Dublin could also influence Unionist opinion negatively. In the past ill-timed statements from Dublin (eg claims that any arrangements not involving "power-sharing" could never prove acceptable to the minority) have caused the Unionists to break off contacts with the British Government. Equally, claims from Dublin of a privileged position in respect of HMG's policy thinking can also enrage the Unionist community. It is important therefore that when HMG's proposals are published, the Irish Government should weigh its response very carefully. Rash or exaggerated claims could jeopardise dealings with the Unionists and torpedo hopes of progress.
4. But Dublin also has a potential for positive influence. Generally the Irish Government has in the past taken its cue from the SDLP in judging the worth of HMG's proposals for the North. But Mr Haughey may take a more assertive line than his predecessors. Moreover, if progress is not made in Northern Ireland, the SDLP will wish to fall back for support on the Dublin Government - and will want to be assured that such support will be available. For both these reasons it is within Mr Haughey's gift to influence the SDLP towards carrying on with discussions with HMG. The only alternative will be a deterioration of relationships all round which is in neither the SDLP's nor the Taoiseach's interests. In particular the Irish Government may be more receptive than the SDLP to the possibility that seats on a local Executive are not the

only way of securing effective minority participation in new arrangements in Northern Ireland. The SDLP see Executive seats as an essential symbol; they enjoyed them in the 1974 power-sharing Executive: anything less now would be a humiliating retreat. They are therefore reluctant even to consider alternative forms of minority participation. In fact, if the Unionists continue to refuse to concede seats on the Executive, the only way forward is through the SDLP being persuaded of the effectiveness of some other form of participation.

5. Since it is in Dublin's interests as much as our own to see some political progress, Mr Haughey, who has the reputation of a pragmatist, may see the merit in trying to get the SDLP to be flexible. Neither the Unionists nor the SDLP will find what they really want in HMG's forthcoming proposals. But we are hopeful that the Unionists will be ready to carry discussions further - albeit reluctantly. The chances of progress will then depend on the SDLP doing the same.



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Brief No 4

Copy No 1

15 May 1980

VISIT OF MR C J HAUGHEY TD, AN TAOISEACH

21 MAY 1980

NORTHERN IRELAND: SECURITY

Brief by Northern Ireland Office

SPEAKING NOTES

Security Situation

1. Together we are making substantial inroads into the terrorists' supplies and are restricting their ability to mount operations. But despite this the Provisional IRA in particular still has the capacity to attack and destroy though they are turning increasingly to soft targets. Government policy is to suppress terrorism by isolating those who use violence from the law-abiding majority of the community, both loyalist and republican, and taking them out of circulation through the law. In this respect the part played by the Royal Ulster Constabulary is growing all the time.

Cross-Border Security Cooperation

2. Terrorism is our common problem. The terrorists are active on both sides of the border, and an equal threat to law and order, and to democratic processes, in North and South. The security forces are more directly at risk in the North, but banks etc are the terrorists' regular targets in the Republic, where they also cache a lot of arms and explosives, as shown by recent finds.
3. A lot of progress has been made since last October in cross-border security cooperation. The Garda and the RUC seem to be working together well in a variety of ways. Nonetheless, we have no cause for complacency. The terrorists still have a considerable capacity to disrupt the lives of ordinary citizens on both sides of the border with the aim of undermining the policies and position of both Governments.

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4. The absence of a workable procedure for the extradition of terrorists from the Republic is still a gap in our joint armoury. We recognise that the attitude of the Irish Courts creates a problem. This requires us both to ensure that the agreed provisions for extra-territorial jurisdiction are operated as fully and imaginatively as possible.
5. Otherwise, I have no proposals of substance to put to you at the moment. It seems to me that the best way forward is to maintain the present pattern of professional liaison between the Garda and the RUC, without undue publicity; the results will speak for themselves. We must continue to reassure them of our support, but let them get on with the practical business of prevention and detection.

The Maze and Armagh Prison protests

6. The Government has no intention of granting Special Category status to any or all of the 'dirty' protesters at Maze or Armagh prisons.
7. It has taken whatever action it has thought helpful (eg increases in numbers of visits and letters, provision of literature) to alleviate the conditions which the protesters have imposed on themselves. But they insist upon the principle, and that the Government cannot concede.
8. Cardinal O Fiaich and Bishop Daly (of Derry) have helped a lot recently to cool the emotions that inevitably surround this issue in the community. They fully understand the Government's position; the latter equally understand their concern for the prisoners' welfare.

BACKGROUND NOTESecurity Situation

1. Since the beginning of the year 219 people have been charged with terrorist-type offences, including 34 with murder and 23 with attempted murder. 89 weapons including one M60 machine gun have been recovered. 10,669 rounds of ammunition and considerable quantities of bomb-making material have been seized including a find on 26 April of some 900 lbs of explosives packed into milk churns and a number of unexploded mortar bombs on a lorry during an attack on the RUC station at Newry on 19 April.
2. 40 people have died this year as a result of terrorist activity. They include 4 regular soldiers, 4 members of the UDR, 3 RUC officers, 4 members of the RUC Reserve, 1 Prison Officer and 24 civilians.
3. There has been a number of bomb attacks on hotels, shops and other commercial properties particularly in January and April. Earlier this month the PIRA blew up two railway bridges in South Armagh with the stated aims of severing the Dublin-Belfast rail link. Repair work is going ahead, and the service is being maintained with a bus link.

Cross-Border Security Cooperation

4. RUC/Garda cooperation works at various levels. The Chief Constable and Commissioner meet every few months. The Joint Consultative Committee (of their deputies and others) has more formal sessions every six weeks or so, keeping the system under concerted review. On the ground is a network of 'Border Superintendents' either side of the border; they are in regular liaison, and deal directly with any cross-border incidents.
5. Some of the results of cooperation are shown in the appended list of recent Garda finds. The Prime Minister will not wish to engage in any detailed discussion of joint operations.
6. On extradition of terrorists, we tacitly accepted last autumn that we could not expect satisfaction from the Irish at present. In default of that, we agreed with them that the RUC and Garda

must work together to find ways of operating the extra-territorial jurisdiction procedures more effectively, so that evidence is made available to enable terrorists to be brought to trial in the South for crimes committed in the North, and vice versa.

7.

*Paragraph deleted and retained under
Section 3(4).*

*Wayland
23 September 2010*

Prisons

8. Some 350 prisoners at HMP Maze are protesting at the Government's refusal to grant them 'special category' status. They are refusing to work or wear prison uniform and have been punished for this by loss of privileges. They have also smashed their cell furniture, refuse to wash, and have smeared their cell walls with excrement and waste food. On 26 March, the Secretary of State announced that whereas those convicted of terrorist-type offences committed before 1 March 1976 had been given special category status, no-one charged after 1 April 1980 would be granted this privilege, whatever the date of his offence. The Secretary of State also announced that as a humanitarian gesture to the protesting prisoners, they would now be allowed one privilege visit a month as well as their statutory visit.

9. In addition, they will also be permitted to write and receive a letter a week, as opposed to a month. Furthermore, to encourage the protesters to take their daily exercise, those who feel unable to take this in either prison uniform, regulation underwear, or naked will be allowed to do so in regulation short-sleeved PT vest, shorts and plimsols; there has been no response to this latter concession.
10. There have also been protests at refusal of special category status in Armagh women's Prison. At first, this took the form of refusal to wash but in February this year some women began a 'dirty' protest which continues to date, but the position is less acute than at HMP Maze: about 30 women are involved.
11. Although the Irish Government is sometimes under pressure from backbench TDs and others to persuade HMG to make concessions, it seems unlikely that Mr Haughey will raise the prisons issue.

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Brief No. 5

Copy No. 1

VISIT BY THE TAOISEACH

21 MAY 1980

ANGLO-IRISH ECONOMIC COOPERATION

Brief by the Northern Ireland Office

Points to make

I am pleased to see that North/South cooperation continues steadily, if unspectacularly, eg on the simplification of customs facilities. Common membership of the EEC increases the range of activities of mutual interest though you will understand that the British Government's commitment to reducing public expenditure means that we must take a severely practical attitude towards proposals which would involve additional expenditure.

If necessary: We would obviously wish to consider carefully any offer of natural gas from the Republic for Northern Ireland. While this could be significant if the reserves prove substantial, we would be anxious not to raise any public hopes before detailed assessment.

I am glad to see that both our Governments are committed to re-opening and keeping open the interconnector between the Republic and Northern Ireland, which would be of benefit to both countries. But we should not underestimate the difficulty if the Provisional IRA maintain their threat to the link.

/ Background Note

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Background Note

All parties in the Republic and the SDLP in Northern Ireland believe that a closer economic relationship between North and South is desirable and "inevitable", a view which parallels views on wider political questions. Unionists, while accepting that a degree of cross-border economic cooperation is acceptable and even useful, remain suspicious and see it as a possible Trojan horse for Irish unification. The Government view is that cross-border economic cooperation should be encouraged provided that it is practicable and mutually beneficial, and is consistent with public expenditure policy. Many "cross-border" projects were in fact already in expenditure programmes. It should be added that we are only dealing with economic cooperation in the public sector. There is of course a great deal of economic interchange in the private sector. In 1977 cross-border trade was worth £870 million.

Contacts between authorities in the North and South have continued since partition on a whole range of practical issues. At the end of 1977 these were formalised by the then administration into the Anglo-Irish Economic Cooperation machinery (AIEC). Several "cross-border" studies - part financed by the EEC - have been commissioned. (See Annex). The Londonderry/Donegal Communications Study (commissioned before AIEC) was published in December 1977 and some of its recommendations have been or are being realised; the Newry/Dundalk Study was published recently with a good deal of public interest and the Lough Erne study will be published shortly.

/ The AIEC

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The AIEC also provides a forum for official contact on matters such as energy. The Northern Ireland Secretary had discussions on these matters with the Irish Minister for Foreign Affairs on 15 April, but it is unlikely that the Taoiseach will raise detailed issues with the Prime Minister. Officials attending the meeting will be briefed on these issues.

The AIEC is on an Anglo-Irish, rather than purely North/South, basis because this makes it more acceptable to Unionist opinion and because it allows discussion on matters of Anglo-Irish concern such as road haulage, customs and, again, energy. The Irish appear broadly content with these arrangements; the Unionists have not objected to the principle but have tended to snipe at detail; but the SDLP would like much more cooperation. On balance the AIEC is therefore of political value.

Energy

Energy is an important economic issue in Anglo-Irish relations and was discussed by the Northern Ireland Secretary at his meeting with the Irish Minister for Foreign Affairs. There are two aspects of which the Prime Minister should be aware.

The North/South interconnector linking North and South electricity grids has been out of action since 1975. Workmen have not been able to restore it because of intimidation, most recently at the beginning of last month. Restoration would

/ benefit

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benefit both North and South, particularly the latter. Following the Northern Ireland Secretary's meeting with the Irish Minister for Foreign Affairs both Governments have publicly expressed their desire to restore and maintain the interconnector. In view of this there is no need for the Prime Minister herself to raise the subject but if the Taoiseach raises it she may wish to express her satisfaction at the firm stance that both Governments have adopted.

However, if the Provisional IRA maintain their threat to the link, the difficulties initially in finding workmen to re-establish the interconnector and subsequently to maintain it in a part of South Armagh notorious for its level of terrorist activity should not be underestimated. The Security Forces are making plans to counter the threat.

The Irish have some natural gas in the Kinsale field off Cork and have hitherto supplied it to the immediate area only. They are considering broadening the area of supply to Dublin and beyond, and there have been some indications that they would not rule out extending their pipeline to the North in the context of North/South economic cooperation. This must be rated a speculative possibility: for example, it is not known if the Kinsale field contains anything like enough to furnish a substantial or enduring supply over such a wide area. If not, the idea is likely to be embarrassing. The Northern Ireland gas industry comprises 13 undertakings, relying on oil as a feedstock, most of which are in deep financial trouble. The

/ Government

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Government has rejected persistent demands to build a natural gas pipeline from Scotland because it would not be viable; and announced that it cannot continue to finance the undertakings' deficits, though it will assist the rundown of those which decide to close. Three undertakings, but not Belfast, are holding out against taking such a decision in the hope that this Government policy can be reversed. The idea of gas supplies from the South would add grist to their mill. False hopes would also embarrass the Irish Government if they later prove unable to offer supplies to the North. The Prime Minister will therefore want to respond, if this issue is raised, with no more than cautious interest.

Non-Quota Section of the European Regional Development Fund

This is significant in the context of North/South economic relations but will be covered in the briefing on the EEC.

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IMPORTANT CROSS-BORDER ECONOMIC ISSUES1) Electricity Interconnector

This connects the Northern Irish and Republic electricity grids through South Armagh. It has been out of action since 1975 through terrorist activity. Both Irish and UK Government keen to restore, as soon as possible and have publicly committed themselves to this. It is of potential economic benefit to both North and South, particularly the latter.

2) Londonderry/Donegal Communications Study

- a) Released December 1978. Well on way to implementation eg
- Foyle Bridge going ahead.
 - Improvements to telecommunications (direct dialling Letterkenny/Londonderry).
 - Harbour development Programme at Londonderry.

b) Dublin-Eglinton Air Link

The Report recommended consideration of an air service between Londonderry and Dublin. However such a service would require a large subsidy in relation to the frequency and the scale of the service. The Government has not therefore been able to agree to it.

c) Lough Swilly Bus Co

Agreement has been reached between the two Governments on means to enable this Company to maintain its cross-border bus services.

Newry/Dundalk Study

Released on 17 April in Dundalk. It covers a number of issues in the Newry/Dundalk area.

a) Newry/Dundalk Road

There is no agreement between Governments on the future course of a road and the sort of road needed. Consultants will undertake a report.

b) Carlingford Lough

The Greenore Ferry Co. in the Republic are not paying dues to the Northern-based Lough Commission while those paid by Warrenpoint have recently been increased, largely as a result of Greenore Ferry Company's action. The Irish agreed when the Secretary of State met Mr Lenihan to consider ways of resolving the problem permanently, eg by reconstituting the Lough Commission on a North/South basis.

Lough Erne Study

Will be released shortly. It covers tourist and drainage issues in the Lough Erne catchment area which straddles the Border.

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Mourne Herring Study

Will be released shortly. It covers management of a herring stock which migrates from Northern Ireland to Republic waters. The Report will indicate that there needs to be cessation of fishing to preserve the stock.

European Regional Development
Non-Quota Cross-Border
Tourist Proposals

UK in favour of cross-border proposals but wider Budget considerations have not allowed agreement to the non-quota package as a whole. (See brief on European Community). The tourism proposals would benefit border areas in both the Republic and Northern Ireland.

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Brief No. 6

Copy No. 1

VISIT BY MR C HAUGHEY TD, AN TAOISEACH: 21 MAY

NORTHERN IRELAND: THE INTERNATIONAL DIMENSION

Brief by Foreign and Commonwealth Office

POINTS TO MAKE

1. Important that Irish Government continue their efforts to counter PIRA propaganda activities in United States (and elsewhere).
2. A common interest that moderate Irish American leadership continues to take a firm stand against terrorism and against activities of NORAIID and the Irish National Caucus.
3. Glad to see alleged gun-runners being brought to trial in the US; and that we are both cooperating closely with US authorities.

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NORTHERN IRELAND: THE INTERNATIONAL DIMENSION

ESSENTIAL FACTS

1. Mr Haughey was reported in February as having told correspondents that he was embarking on a diplomatic initiative, especially in the United States and the European Community, to enlist support for his Government's policies on Northern Ireland. He subsequently raised the matter in a low key way with President Giscard, but there have so far been no signs of an Irish effort to bring international pressure to bear on HMG whether over the political status of Northern Ireland or over human rights issues.

United States

2. US policy rests on President Carter's statement of August 1977, reaffirmed during Prime Minister's visit last December, condemning violence and ruling out direct US involvement. But administration is susceptible to pressure from the moderate Irish American leadership who in turn are under continuous pressure from extremist movements (NORAID-PIRA fund raisers and Irish National Caucus-PIRA propagandists). So far however, Northern Ireland has not been an issue in the Presidential election campaign.

3. Irish Government policy has been to stand firmly with so-called "Four Horsemen" (O'Neill, Kennedy, Moynihan, Carey) in condemning NORAID and resisting pressures from Irish National Caucus (eg over H-Blocks propaganda and calls for Congressional hearings). Signs that Haughey is under some pressure to soften attitude towards Irish National Caucus. Unlikely he will do so except in context of significant policy change, ie open confrontation with UK.

4. PIRA's most important source of arms is United States. US authorities have several cases under investigation following weapon seizures in GB, Northern Ireland and Irish Republic, and are relying on close cooperation with British and Irish for prosecution evidence.

/European Community

European Community

5. Community Governments anxious above all not to get involved. Some understanding of complexities of the problem, but public opinion tends to oversimplify it and to ascribe terrorism to absence of political progress. Role of the Community as such could not go beyond economic support.

6. The Vatican, and London Apostolic Delegate Archbishop Heim, have taken consistently helpful line over Northern Ireland despite pro-Republican pressures from Dublin Papal Nuncio Allibrandi. The Pope unequivocally condemned terrorism during his visit to Irish Republic (29 September - 1 October 1979). PIRA rejected his plea for peace. The Pope decided not to go to Northern Ireland because of the "dreadful murders" of Lord Mountbatten and British soldiers at Warrenpoint.

7. Other countries. Some financial and moral support for PIRA from Irish communities in Australia; propaganda activities in Western Europe and Scandinavia. Four Maze protestors have application before European Court of Human Rights for alleged breaches of Convention but no ruling yet given on admissibility. Soviet Union misrepresents events in Northern Ireland and takes hostile line on human rights issues. Does not however support PIRA.

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BRIEF NO 7
19 MAY 1980

VISIT TO LONDON BY THE TAOISEACH, 21 MAY
EUROPEAN COMMUNITY MATTERS

Brief by the Foreign and Commonwealth Office

OBJECTIVES

1. To enlist Mr Haughey's support for a settlement before the Venice European Council of the UK budget problem and related issues.

POINTS TO MAKE

BUDGET

2. Ready to cooperate in determined effort to get agreement before Venice. Regret more progress not made at Naples.
3. Very much hope Foreign Affairs Council (end May or early June) can break back of problem. Finance Council meeting depends on Presidency decision.
4. Meanwhile bilateral contacts useful; Ruggiero Group could play important role.
5. Substance: Gap substantially narrowed at Luxembourg. Must get figures/duration combination right. We need an arrangement for three years. Glad some understanding on duration shown at Naples. But amount too low.
6. A rebate approach: would be a serious step backwards. We all agreed at Luxembourg to share risk of inflation and growth of Community Budget. Must stick to limit on net contribution approach. Chances of success severely compromised if we now depart from it.
7. Dynamism: Some means must be found. If not Prime Minister's Luxembourg formula, what about constant percentage reduction approach?
8. Review: Need to continue special measures will depend on success in changing balance of Community policies and expenditure. Article 235 Regulation, like Financial Mechanism, should have review clause.

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9. Restructuring: Firm commitment needed: only viable long-term solution. Will need to re-examine balance of budget anyway in context of 1% ceiling.

10. [Defensive] Are you threatening CAP? Not calling into question principles of CAP. But we must reduce expenditure on surpluses.

11. [Defensive] Will Ireland have to pay for UK solution? Financing of solution a matter for the Community as a whole.

CAP PRICES

12. No reason why 28/29 May Agriculture Council should not reach agreement provided budget is settled.

SHEEPMEAT

13. Proposals put forward in Luxembourg unacceptable. Would raise prices, cause mutton mountains and cut EC consumption. Not in Irish or UK interest.

14. Export restitutions not justifiable for product where Community is heavily in deficit. Would be damaging to New Zealand who might then reject voluntary restraint agreements.

15. Prepared to agree Community arrangements for sheepmeat in same timescale as budget so long as full account is taken of these concerns.

FISH

16. No objection to something being said about fish at time of budget settlement. A text on general principles could be agreed before Venice. But it must not attempt to prejudice vital interests of our fishermen.

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ESSENTIAL FACTS

BUDGET

1. Following arrangements offered at or pre-Luxembourg:
 - (a) net contribution ceiling of 849 mEUA for three years (initial French offer);
 - (b) Dutch proposal (which got nowhere at Luxembourg, but they say they will try to revive): rebate of 1000 mEUA per annum 1980-82; 800 mEUA 83-4;
 - (c) average of net contributions in 1978 and 1979 (calculated with importer benefits MCAs) for 1980 only i.e. 538.5 mEUA (German offer);
 - (d) rebate in 1981 equal to that for 1980 (perhaps resulting in net contribution of about 800 mEUA in 1981). Giscard amendment to German proposal.
2. The Prime Minister indicated might be able to accept figures for two years only provided net contribution ceiling rose at same rate as the whole budget (resulting in contribution ceiling in 1981 of c.650 mEUA).

Constant Percentage Reduction

3. The Prime Minister has since agreed that an alternative formula should be explored: that the percentage reduction in our net contribution agreed for 1980 be applied to 1981 and 1982. Colombo expressed interest on 14 May.

4. Major achievement at Luxembourg was to focus on net contribution ceiling rather than on size of rebate. Very important not to give this point away, though small Member States are opposed. Para 3 may be way round this.

Review

5. Giscard proposed at Luxembourg thoroughgoing review of operation of budget during 1980. Considerations would include:

- (a) imminence of 1% VAT ceiling;
- (b) possible ceiling on net benefits by above average GNP countries, i.e. Denmark and Benelux (by implication re-examination of own resources system);
- (c) possibility of national financing of parts of CAP.

We should avoid showing interest in (b). Small Member States have been upset by it.

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/Naples

Naples

6. (a) Some understanding for our need for three years; but figures not right. Only other formula (1(b) above);

(b) Presidency will now make arrangements for Council meetings in next few weeks, including possibly a meeting of Finance Council to discuss latest estimates of the net budget positions of Member States over next three years, and a meeting of Foreign Affairs Council. Not yet clear whether latter will be 2/3 June as planned or 28/29 May.

Presidency and Commission will come forward with options for solution.

French and Germans reiterated earlier statements that Luxembourg offer was withdrawn. French apparently successful in involving Finance Ministers (they hope that German Finance Minister will take hard line).

Figures for 1981/82 will complicate picture, focussing attention on 1% ceiling (which others may use as argument against generous UK settlement). Germans clearly worried that they will become major net contributors to budget after agreement. This and imminence of 1% ceiling explain reluctance to agree to review terms implying continuing special measures for UK.

7. Irish Attitude: Mr Haughey, without giving anything away, has been more sympathetic than his predecessor. Major concern is that settlement should

increased cost them as little as possible. So far, no discussion of any measures (eg EMS interest rate subsidies) in favour of Italy/Ireland. French/Germans unlikely to be helpful. We should leave them to sort this out with our other partners, but could express general sympathy for principle that operation of Community Budget should not penalise less prosperous.

CAP PRICES

8. Irish would have liked higher price increases than Commission compromise 5%. But now go along with that. They have also secured a regional agricultural programme for Western Ireland in the package. They previously supported budget/CAP price link, but have so far been reasonably relaxed about our use of linkage.

9. Irish do very well out of CAP. CAP will give them combined budget/trade surplus of about 400m in 1980.

SHEEPMEAT

10. Irish have bilateral deal with France under which Irish lamb is sold in France. They consistently support French on sheepmeat regime, including heavy intervention regime, but latest proposals would give them, like UK, a low intervention price. Main message to put to

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Irish is damage to mutton market of high price and likely mutton mountains which would result from current proposals. Prime Minister will not wish to reveal our negotiating hand on a possible compromise.

FISH

11. Fisheries Principles text under discussion, in first instance bilaterally with Germans. Irish likely to be content with texts now in play. Procedure for Community discussion not yet clear. Possibility of Fisheries Council before Venice cannot yet be excluded (we oppose it). Irish are building up their fisheries industry. The Hague Resolution, which would probably be quoted in Principles text, accords Ireland preferential treatment.

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Brief No. 8

Copy No. 1

14 May 1980

VISIT OF THE TAOISEACH

21 MAY 1980

INTERNATIONAL AFFAIRS

Brief by Foreign and Commonwealth Office

ARAB/ISRAEL AND LEBANON

Points to make

Arab/Israel

1. The autonomy talks look like a dead end but US remain committed. Nine must act to keep up the momentum of peace efforts without rejecting Camp David.
2. Full discussion needed of options available. Continue to believe a new Security Council Resolution a possible avenue, but careful preparation needed.

Lebanon

3. Appreciate efforts of Irish troops in UNIFIL. Deplore Haddad's harassment. Support moves by troop contributors to make UNIFIL more effective.
4. Could the Nine help?

/ Essential Facts

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Essential Facts

Arab/Israel

1. President Sadat has postponed indefinitely further plenary sessions of the autonomy talks. A complete breakdown is unlikely yet but the positions of the two sides look completely incompatible. The European Council is to discuss options for the Nine on 12-13 June in Venice. The Americans remain committed to Camp David and will find it difficult to support any other approach (they are trying to steer us away from action in the Security Council). But they are reconciled to some action by Europe.

2. Mr Haughey's government have accelerated a previous Irish movement towards greater support for the Palestinians. In February the Irish President signed a communiqué in Bahrain endorsing an independent state for the Palestinians and regarding the PLO as representative of the Palestinians. The Israelis protested sharply but the Irish have not retreated.

Lebanon

3. The change in Irish thinking is largely attributable to the experiences of their UNIFIL contingent in South Lebanon. The Irish have protested repeatedly to the Israelis about their support for Major Haddad's harassment of UNIFIL, but have achieved little. Following the Bahrain communiqué, Haddad threatened to kill Irish soldiers until the Irish contingent

/ left.

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left. Two were killed in a particularly unpleasant incident in April. The Irish blamed Haddad and Israel. By contrast the contingent's relations with the PLO have been fairly good.

4. Security Council Resolution 467, passed on 24 April, condemned Haddad's actions and called for the implementation of UNIFIL's mandate. Foreign Ministers of the UNIFIL troop contributing countries met on 2 May in Dublin. Their communiqué reaffirms their determination to work for the fulfilment of the UNIFIL mandate. Diplomatic representations are being made in Washington, Beirut and Tel Aviv to deliver copies of the communiqué.

5. The Lebanese Foreign Minister, who is in London on a private visit, called on the Secretary of State on 12 May. He told Lord Carrington that although he knew a dangerous situation would be created if UNIFIL were to pull out, there was a trend of thought in Lebanon that it would be better not to have the UN force; and he knew that the contributors to UNIFIL themselves could not go on indefinitely.

6. We have been giving some thought to how the Nine might be able to help. One way forward might be to try to obtain Lebanese Government and Palestinian agreement to Lebanese Army deployment in Tyre and withdrawal of PLO armed elements in return for Israeli agreement to stop supporting Haddad.

/ IRAN

CONFIDENTIAL

Points to make

The Prime Minister may wish to discuss with Mr Haughey the implications of the decision to be taken by Foreign Ministers of the Nine on 17 May regarding sanctions against Iran.

AFGHANISTAN

Points to make

1. We hope that there will be support at the Islamic Conference for the proposal for neutrality and non-alignment. A weak result from the Conference would give comfort to the Russians. We conducted a lobbying exercise with Islamic countries beforehand and informed our European partners by COREU.
2. We know that Habib Chatty, Secretary General of the Islamic Conference, plans to press his own ideas (which are influenced by and complementary to our own). Developments of our ideas being worked up by Chatty are (a) a small committee of Islamic Foreign Ministers to open up negotiations with the Russians; (b) an Islamic Peace Keeping force, although this is probably impracticable.
3. We see advantage in getting away from the idea as being seen as a solely European initiative. For this reason, we prefer to await the outcome of the Islamic Conference before deciding on further action. If the Conference comes up with sound ideas and is inclined to pursue the initiative, so much the better.

/ Essential facts

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AFGHANISTAN

Essential facts

The Irish Government supports the proposal for a neutral and non-aligned Afghanistan and the Irish Ambassador boycotted the May Day Parade in Moscow. However, the Government, mindful of its policy of neutrality, has made no independent statements on the subject.

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Brief No. 9

VISIT TO LONDON BY THE TAOISEACH: 21 MAY 1980

BILATERAL TRADE

Points to make

- 1) Traditionally, very high level of bilateral trade. Look forward to continuation and strengthening of trade.

Defensive points

- 1) Irish Republic has growing trade deficit with UK which may be causing concern to Irish authorities.

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VISIT TO LONDON BY THE TAOISEACH: 21 MAY 1980

BACKGROUND

1) Bilateral trade continues to grow steadily and the UK has maintained her market share in spite of fluctuations in the Sterling/Punt exchange rate. The Irish Republic is our 5th largest export market, taking over £2.5bn worth of goods in 1979. We remain overwhelmingly the Republic's most important trading partner, providing 49% of all imports and taking 46% of all exports. Trade statistics are annexed.

There is no reason to suppose that our strong position cannot be maintained. We have the benefits of geographic proximity, a common language, and long acquaintance and mutual trust between trading partners. Except for one case (surveillance licencing on footwear originating in the EC) on which we are in touch with our Embassy in Dublin, Non-Tariff Barriers do not feature large as they do in some other EC member states.

The Irish Republic has a very active inward investment programme, carried out through the Irish Development Authority (IDA) and in the past year the IDA has persuaded a number of Japanese and American companies to establish factories in the Republic. MOSTEK, a 'microchip' specialist was one of the IDA's most notable successes last year.

The Republic has been a fast-growing energy importer and was therefore hit especially hard by the 1979 oil price rises. Their inflation at the end of 1979 was 16% and as a result credit restrictions were reinforced, which may be reflected in trade figures this year.

2) The growing trade deficit with the UK will be of concern to the Irish authorities. When they joined the EMS and broke parity with sterling it was widely expected that the punt would rise above the pound. The opposite happened and this should have been of benefit to exporters in the Republic. Two factors told against this, however. The Irish agriculture sector showed a decrease in volume in 1979 and their overall economy faltered badly. The year was one

of the worst ever for industrial disputes (the postal workers were on strike from February to June) and the oil price rises hit very hard.

A tough budget was introduced on 27 February this year to compensate for the poor economic performances and the Central Bank anticipate a growth in volume of exports of 7%. The importance the Government attaches to this export drive is reflected in the increase (£1.9m, or 30%) in the budget of the Irish Export Board.

CRE3
Department of Trade

12 May 1980

ANGLO IRISH TRADE

| | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 JAN - MAR |
|-------------------------|------|------|------|------|------|-------------------|
| UK Exports (FOB) | 917 | 1273 | 1648 | 2042 | 2555 | 681 |
| UK Imports (CIF) | 923 | 1050 | 1299 | 1605 | 1689 | 422 |
| Crude Balance | -6 | +223 | +349 | +437 | +866 | +259 |

Source: Overseas Trade Statistics of the UK

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UK EXPORTS TO THE IRISH REPUBLIC (FOB)

| Commodity/SITC Section | | 1975 | 1976 | £M 1977 | 1978 | 1979 |
|------------------------|---|------|------|------------|------|------|
| 0 | Food and live animals | 81 | 106 | 174 | 215 | 277 |
| 1 | Beverages and tobacco | 7 | 9 | 10 | 14 | 16 |
| 2 | Crude materials except fuels | 28 | 41 | 58 | 52 | 61 |
| 3 | Minerals and lubricants | 128 | 198 | 202 | 217 | 312 |
| 4 | Animal and vegetable oils, waxes | 3 | 2 | 6 | 7 | 8 |
| 5 | Chemicals and related products | 99 | 131 | 181 | 234 | 286 |
| 6 | Manufactured goods by material | 210 | 287 | 354 | 432 | 552 |
| 7 | Machinery and transport equipment | 211 | 302 | 405 | 540 | 642 |
| 8 | Miscellaneous manufactured articles | 109 | 152 | 205 | 269 | 356 |
| 9 | Commodities and transactions not classified according to kind | 40 | 47 | 54 | 62 | 46 |
| TOTAL, 0-9 | | 917 | 1273 | 1648 | 2042 | 2555 |

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UK IMPORTS FROM THE IRISH REPUBLIC (CIF)

Commodity/SITC Section

| | | £m | | | | |
|---|---|------------|-------------|-------------|-------------|-------------|
| | | 1975 | 1976 | 1977 | 1978 | 1979 |
| 0 | Food and live animals | 394 | 387 | 465 | 615 | 647 |
| 1 | Beverages and tobacco | 21 | 22 | 18 | 26 | 31 |
| 2 | Crude materials except fuels | 29 | 48 | 56 | 59 | 71 |
| 3 | Minerals and lubricants | 121 | 75 | 92 | 150 | 42 |
| 4 | Animal and vegetable oils, waxes | 6 | 8 | 10 | 11 | 11 |
| 5 | Chemicals and related products | 32 | 51 | 72 | 98 | 118 |
| 6 | Manufactured goods by material | 145 | 186 | 246 | 275 | 286 |
| 7 | Machinery and transport equipment | 75 | 149 | 190 | 184 | 255 |
| 8 | Miscellaneous manufactured articles | 93 | 114 | 139 | 170 | 218 |
| 9 | Commodities and transactions not classified according to kind | 7 | 10 | 10 | 18 | 11 |
| | TOTAL 0-9 | 923 | 1050 | 1299 | 1605 | 1689 |

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Brief No. 10

VISIT BY THE TAOISEACH

Copy No. 1

THE WORLD ECONOMY

Brief by HM Treasury

POINTS TO MAKE

1. (i) Despite surprising resilience of output in some countries, growth in the industrialised countries could be less than 1% this year.
- (ii) Average inflation could be 4% higher this year than last. But notable unanimity about primacy of containing it.
- (iii) Little room for major countries to relax policies. Large OPEC surpluses are unlikely to be transient; so all countries must accept need for adjustment.
- (iv) Efforts to squeeze out inflation in the UK and restore the basis for growth require lower public expenditure. And that must include our EC Budget contribution.
- (v) The OPEC surplus could exceed \$120 billion this year. Deficits in majors should be better distributed than in 1974-75; but external difficulties may necessitate further policy measures in some smaller OECD countries.

BACKGROUND (ALL INFORMATION FREELY USEABLE)

2. There has been an uneasy peace in the oil markets since January. One or two countries have made small price increases but stocks are high and spot prices have weakened. Demand and supply are broadly in balance, but price structure remains unstable.
3. Activity in the OECD area is expected to weaken substantially this year, though by rather less than once thought likely. GNP growth could average below 1 per cent compared with over 3 per cent in 1979. The long - awaited US recession appears to have arrived; doubts about its severity and duration remain. Apart from the UK, growth elsewhere may remain positive this year, although no country is likely to escape a

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sharp slow-down. In Japan, Germany and France growth could be $\frac{1}{2}$ -2% lower than in 1979, and in Italy and Canada $2\frac{1}{2}$ % lower.

4. The average inflation rate in the major economies has accelerated into double figures for the first time since 1975, and could be almost 13 per cent in 1980, compared with 9 per cent last year. The US rate could be nearly 2% above the average for industrial countries, but Japan is expected to have the largest proportionate increase with the rate possibly tripling to $10\frac{1}{2}$ %. The differential between the lowest OECD inflation rate (Germany) and the highest (Italy) has widened significantly in the past year, reflecting varying degrees of success in preventing higher oil prices feeding through into prices generally. In general, though, the chances of avoiding a wage-price spiral are better than in 1974-5.

5. Monetary policy has been the main weapon in the fight against inflation to which all countries have given priority. The maintenance or tightening of monetary targets in the face of intensified inflationary pressures has inevitably led to higher interest rates. After rising to record levels, US rates have now fallen back sharply. But a reduction in rates elsewhere is unlikely until money supplies are firmly under control and inflationary expectations improve. Fiscal policy is also generally restrictive, and could become more so, as governments seek to rein in or (in the US) eliminate their budget deficits. The need for tight policies is all the more acute in some smaller OECD countries, including Ireland, where accelerating inflation is combined with particularly serious balance of payments problems. Of the major countries, only France and Italy have taken measures explicitly to offset some of the deflationary impact of higher oil prices.

6. The OPEC current account surplus could exceed \$120 billion this year and is unlikely to fall back as rapidly as after the first oil shock. But the industrialised countries' share of the counterpart deficit will be distributed more satisfactorily than in 1974-75. Of an expected total OECD deficit of some \$90 billion in 1980, a larger part of the burden will be borne this time by countries with relatively low inflation rates (particularly Germany and Japan) and so exchange rate fluctuations could be generally less severe.

7. The position of the LDC's will greatly deteriorate. Even if they cut import growth sharply their combined deficit could rise substantially to over \$50 billion in 1980. They will need to continue borrowing heavily but market conditions could be less favourable to them.

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8. Concern has been expressed about the ability of the international banking system to recycle OPEC surpluses as smoothly as in the mid 1970's. However, large scale difficulties in the banking system are unlikely and so the ^{need} for major new initiatives or institutions remains unproven. The IMF, though, is currently reviewing the adequacy of its facilities and greater use of its funds seems inevitable. The LDC's should be encouraged to approach the Fund and agree adjustment programmes at an early stage.

HM TREASURY

12 May 1980

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Brief No. 11

Copy No. 1

VISIT OF THE TAOISEACH

21 MAY 1980

INDUSTRIAL RELATIONS

Brief by Foreign and Commonwealth Office

Essential facts

1. The Taoiseach may ask about the Employment Bill.

A note by the Department of Employment is attached.

2. Industrial relations in Ireland are described in paragraph 5 of brief no. 2.

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PURPOSE OF THE EMPLOYMENT BILL

1 To bring back some common-sense into industrial relations and give people proper protection where it is needed.

2 The Bill will achieve this purpose by:

- protecting those who are not involved in a dispute but who may suffer as the result of industrial action;
- protecting individuals where the closed shop might otherwise threaten their jobs;
- encouraging the views of union members to be expressed through secret ballots;
- achieving a better balance between the protection of people in employment and the creation of new jobs.

3 The main provisions of the Bill will:

- encourage the wider use of secret ballots in trade union elections and votes on other important issues such as deciding on strike action;
- limit lawful picketing to a picket's own place of work;
- restrict tightly other forms of secondary action such as blacking and sympathetic strikes;
- provide protection against trade union recruitment tactics of the type used by the union SLADE to force people into union membership against their will;
- help ensure that in future dismissal in a closed shop will be automatically unfair unless the closed shop had been approved by the overwhelming majority of employees affected;
- defend the conscience and rights of individuals in all closed shops;
- would give a right to a person employed or seeking employment where there

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is a closed shop not to be unreasonably excluded or expelled from a trade union;

- make a number of amendments to the employment protection legislation where experience has shown that it is not working properly and where its effect is to discourage employers, particularly small employers, from creating new jobs;
- provide a statutory right for pregnant women to take time off work for ante-natal care;

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SECRET

3



Foreign and Commonwealth Office

London SW1A 2AH

16 May 1980

fs.
Am

Dear Michael,

TAOISEACH'S VISIT

I have sent you under separate cover the briefs for the Prime Minister's meeting with the Taoiseach on 21 May.

I now enclose two copies of a supplementary brief prepared by the Security Service; the Prime Minister may wish to draw on this during her tête-à-tête meeting with the Taoiseach. *- in Item 4*

I am copying this letter with enclosure to Roy Harrington (Northern Ireland Office) and David Wright (Cabinet Office).

Yours ever,

Myles /:

M A Wickstead
Assistant Private Secretary
to the Lord Privy Seal

M O'D B Alexander Esq
10 Downing Street
London

SECRET



10 DOWNING STREET

From the Private Secretary

14 May 1980

VISIT BY THE TAOISEACH

The Prime Minister has seen your letter to me of 8 May. You have since told me that the Irish will indeed wish to have six places at lunch, and I have told you that the lunch will have to be limited to a total of 12. On our side the list will therefore be, in addition to the Prime Minister, the Lord Privy Seal, the Secretary of State for Northern Ireland, Sir Robin Haydon, Mr. Stowe and a Private Secretary.

I am copying this letter to Roy Harrington (Northern Ireland Office) and David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

M. A. Wickstead, Esq.,
Lord Privy Seal's Office.

SL



se Pen
Ireland

Foreign and Commonwealth Office

London SW1A 2AH

13 May 1980

hs Smith 13/5

Dear Michael,

Announcement of Taoiseach's Visit

The Irish wish to make a statement in the following terms in answer to a question in the Dail at about 2.30 this afternoon:

'The Taoiseach, accompanied by the Minister for Foreign Affairs, will be visiting London for talks with the Prime Minister and other British Ministers on 21 May. The talks will cover bilateral questions and European and international issues.'

The FCO and the NIO are content. You confirmed by telephone that you were content with this. The statement might most appropriately be issued at the 4pm lobby at No 10 today.

Yours etc

Paul

(P Lever)
Private Secretary

M O'D B Alexander Esq
10 Downing Street



13 MAY 1980
11 12 1
2 3 4
5 6 7
8 9

CONFIDENTIAL

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Note of a meeting to discuss progress on Northern Ireland held at 10 Downing Street on 12 May 1980

Present: The Prime Minister
The Home Secretary
The Lord Chancellor
The Secretary of State for Foreign and Commonwealth Affairs
The Secretary of State for Northern Ireland
The Parliamentary Under Secretary of State, Ministry of Defence
(Mr Hayhoe)
Mr K R Stowe, Northern Ireland Office

*Subject file - Ireland
- Situation - Pt 6*

Secretaries
Sir Robert Armstrong
Mr R M Hastie-Smith

The Home Secretary referred to his letter to the Prime Minister dated 7 May and said that the particular reason he had requested this meeting was because of the importance of the forthcoming meeting between the Prime Minister and Mr Haughey on 21 May. Her meeting with Mr Hume, the SDLP leader, on 13 May would also be important, as what Mr Hume said would be likely to reflect the views of Mr Haughey to whom he would report back on everything the Prime Minister said. It was not clear exactly what Mr Haughey would be seeking, but he would certainly aim at extracting the maximum political advantage from the meeting. His general objective would be likely to be to carve out a major and widely recognised role for himself in negotiating the future of Ireland with Her Majesty's Government. This could create obvious difficulties both in Northern Ireland and at Westminster. Nevertheless it was important to try and keep him sweet because of the extent to which his efforts had improved the cross-border security situation in Ireland and also the extent to which he could cause that situation to deteriorate.

The Foreign and Commonwealth Secretary said that it was Mr Haughey's aim to be seen to be involved in achieving political progress in Northern Ireland. It was important to show him some understanding of the preoccupation in Dublin with Northern Ireland.

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In discussion the following main points were made:--

- a. There could be no question of giving Mr Haughey any suggestion that the undertaking which had been given to the Protestant majority in Northern Ireland was open to negotiation or compromise. If that was what he wanted, he would get nothing out of the forthcoming meeting.

- b. Nevertheless Mr Haughey was a clever and pragmatic politician who needed to win an election in the fairly near future. There were a number of subjects of common interest which he would want to discuss with the Prime Minister, such as security and energy. He might also have new ideas of his own such as possible Irish membership of NATO or common citizenship. There would certainly be a price-tag attached to such ideas, but even so they might provide a basis for friendly discussion. At the meeting on 21 May, it was likely that Mr Haughey would be more interested in feeling out the position than in making proposals that would run the risk of bringing a rebuff which would frustrate his longer term aims. Nevertheless the meeting might be a difficult as well as an important one.

- c. Following the meeting with Mr Haughey on 21 May, it would be desirable to publish the Government's proposals for Northern Ireland in June. These proposals were at present being prepared by the Secretary of State for Northern Ireland for consideration by MISC 24. Although these proposals would provide a basis for further discussion and negotiation with the political parties, there would in fact be a lot of positive direction in the proposals which were eventually published. There would be one main option with two variations. Any proposals for an Assembly with legislative powers would have to be very carefully considered for their possible effect in reviving hopes for Scottish and Welsh devolution; on the other hand the political arrangements for Northern Ireland had always been different to the rest of the United Kingdom and without legislative powers it would be difficult to offer to the Northern Ireland minority some allocation of power.

- d. The tactics behind the proposals to be published would be to make it clear that power sharing was a possibility only if it was accepted by all the political parties. Such acceptance was unlikely to be achieved; but, unless the power sharing option was put forward, the SDLP would be unlikely to take any further part in the negotiations. If they could be shown that power sharing was not a possibility, they might be induced to accept the real degree of power allocation that the Council of the Assembly proposal might offer.

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The Prime Minister, summing up the discussion, said it was clear that the forthcoming meeting with Mr Haughey, and the preliminary discussion with Mr Hume would present considerable problems. To a large extent they would need to be listening sessions, but Mr Haughey could not go away believing and publicly stating that the Government was reconsidering its commitment to the Northern Ireland majority. A difficult decision would have to be taken over the question of legislative powers for the proposed new Assembly in Northern Ireland. In the longer term they would have to consider how the elected representatives of Northern Ireland in Parliament could be brought back into the process of Government from which they were at present excluded. The present situation was incompatible with real democracy.

AmA
-

Cabinet Office

12 May 1980

CONFIDENTIAL

12 May 1980

Visit by the Taoiseach

The Prime Minister has seen your letter to me of 9 May about Mr. Haughey's visit to London. She will not be able to attend the Irish Ambassador's dinner. I would be grateful if you could convey her regrets to Dr. Kennedy.

MICHAEL ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

TR



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

You will want to be aware of this.
But there is no need at all for you to
go: you have already planned a meal
for that evening to discuss British

9 May 1980

Leyland. Decline?

Paul 9/5

Yes. regrettably

out

Dear Michael,

MEETING BETWEEN THE TAOISEACH AND THE PRIME MINISTER: 21 MAY

You should know that the Taoiseach has decided to stay the night of 21 May in London so that the Irish Ambassador can give a dinner in his honour. The Ambassador has asked us to enquire whether the Prime Minister and Mr Thatcher would be able to attend.

The Ambassador fully understands that the Prime Minister will probably not at this late stage be free to accept his invitation, and there is no reason to suppose that the Taoiseach himself would expect her to do so, though he would certainly be delighted if she did. Lord Carrington has agreed to attend the dinner.

Perhaps you would let me know how we should respond.

Yours etc

Paul

(P Lever)

M O'D B Alexander Esq
10 Downing Street

9 MAY 1960



cc Mrs Woodchild a.g.

1
Munt



Prime Minister.

Foreign and Commonwealth Office

London SW1A 2AH

I think the lunch should be limited to 12. If we have to drop one of the British list (we ^{may} have to do so) it should perhaps be

8 May 1980

Dear Michael,

Sir R. Armstrong. Agree?

Yes mt.
Munt 9/5
It can't be more than 12 mt.

VISIT BY THE TAOISEACH : 21 MAY

In your letter of 30 April to Paul Lever you asked for a draft guest list for a lunch for 12 to be given by the Prime Minister.

We have asked the Irish to let us have six names; it is likely that they will wish to include, in addition to the Taoiseach himself and Mr Lenihan, Dr Kennedy, the Irish Ambassador, Mr Nally of the Taoiseach's Office, and Mr O'Rourke, Secretary for Foreign Affairs (ie Permanent Under Secretary).

On the British side, Lord Carrington is already hosting a lunch that day for Dr Waldheim, but will be able to join the talks in the afternoon. We accordingly suggest the following list for the lunch:

- ✓ Prime Minister
- ✓ Lord Privy Seal
- ✓ Secretary of State for Northern Ireland
- ✓ Sir Robin Haydon
- Sir Robert Armstrong
- ✓ Mr Stowe
- ✓ Private Secretary

/This

M O'D B Alexander Esq
10 Downing Street
London



This would of course mean seven on the British side (and presumably therefore an additional Irishman), and a total of 14. If it is essential to stick to 12, may we leave it to you to decide who should be left out?

I am sending copies of this letter to Roy Harrington (Northern Ireland Office) and David Wright (Cabinet Office).

Yours ever,

Myles !:

M A Wickstead
Assistant Private Secretary
to the Lord Privy Seal

1-8 MAY 1980





10 DOWNING STREET

From the Private Secretary

30 April 1980

cc Sme Goodchild

Visit by the Irish Prime Minister

As you know, it has been agreed that the Irish Prime Minister, Dr. Haughey, should visit London on Wednesday 21 May. The Prime Minister has offered Dr. Haughey lunch and has invited him to stay on for two hours of talks in the afternoon. The first hour or so of the talks should, no doubt, take place tête-à-tête.

Dermott Nally, with whom I fixed the date for the talks after the Prime Minister had issued the invitation to Dr. Haughey during their meeting in Luxembourg on Sunday, said that the Irish would prefer that the date of the visit should not be announced in advance.

I should be grateful if the detailed arrangements could now be worked out through the usual channels.

It would be helpful if a draft guest list for the lunch, which should be a small working lunch for twelve, could reach me by 9 May and if the briefs could be available by close of play on Friday 16 May.

I am sending copies of this letter to Roy Harrington (Northern Ireland Office) and David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.



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PM/80/33

THE PRIME MINISTER

Meeting with the Taoiseach during
the European Council, 27/28 April

NBPN

12 hrs
- 29/4

in Luxembourg

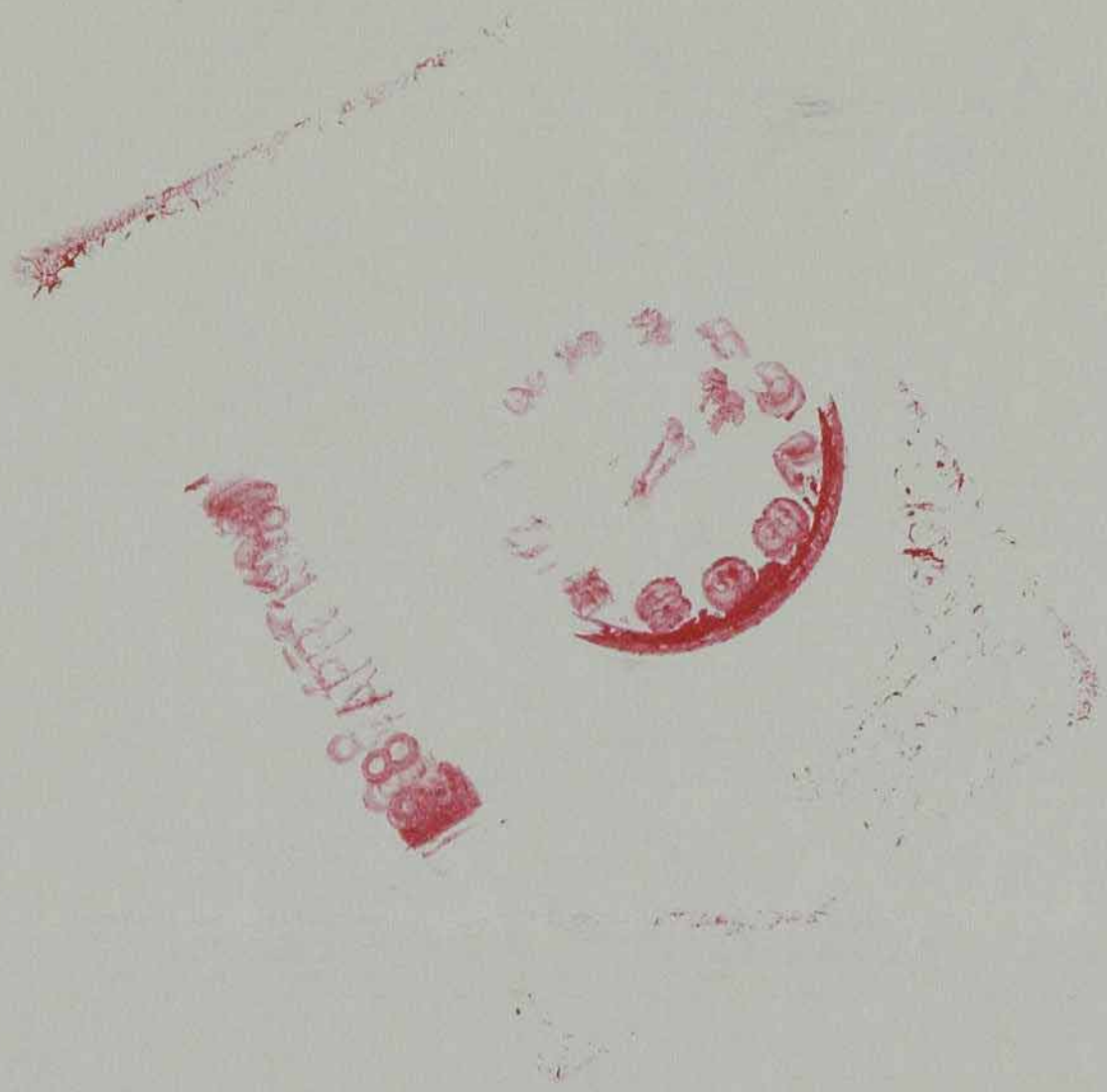
1. I have seen Humphrey Atkins' minute of 24 April suggesting that when you see Mr Haughey in Luxembourg you might take the initiative in suggesting dates for a subsequent meeting in London.
2. I think that this is right. And indeed it would be a normal courtesy with any Community Prime Minister. We have no interest in giving offence to the Taoiseach, who has been a good deal more sensible over political issues and more helpful over security cooperation than we might have expected. It seems to me that since a meeting is inevitable at some stage, there is much to be said for having it sooner rather than later. No doubt there will be some plain speaking, but my impression is that Mr Haughey has just as much interest as we in keeping Anglo-Irish relations on an even keel; and he may be rather more concerned with achieving an appearance of trust and confidence than with pressing for radical changes in British policy.
3. I am sending copies of this minute to the Home Secretary, the Secretary of State for Northern Ireland and to Sir Robert Armstrong.

(CARRINGTON)

Foreign and Commonwealth Office

28 April 1980

CONFIDENTIAL



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Seen by Prime Minister

cc Ewold: 163:
Council Mtgs, Luxembourg



Prime Minister

PRIME MINISTER

Mr Atkin's argues that you should offer Mr Haughey a bilateral in London when you see him in Luxembourg. He hopes that such a meeting would take place relatively early on in May. Shall we try to identify dates to offer him?

MEETING WITH TAOISEACH DURING EUROPEAN COUNCIL - 27/28 APRIL

1. Mr Haughey does not intend, so we were told in Dublin, to raise Northern Ireland matters with you when he sees you in Luxembourg. However he is hoping on that occasion to be able to arrange a subsequent bilateral meeting with you, at which a wide range of matters including Northern Ireland can be discussed. It would not be surprising if, in even the briefest of conversations about a bilateral meeting, he put his point of view about Northern Ireland to you.
2. When this matter was raised at the beginning of April, your inclination was to defer any action on a bilateral meeting until you could form your own view of Mr Haughey in the light of an encounter at Luxembourg. My recommendation, for the reasons given below, is that - subject to events at Luxembourg, of course - there is advantage in your taking the initiative and offering dates to Mr Haughey for a meeting in London.
3. First, Mr Haughey has not so far had any meeting with you, and it is sensible that he should do so before long, as Prime Minister of a neighbouring country with whom we have close (albeit idiosyncratic) ties, both bilaterally and through the EEC.
4. Secondly, it is in our interest to demonstrate that, at the highest level, we take seriously the Irish interest in Northern Ireland. It is legitimate, not least because we need each others help in dealing with terrorism, and inevitable; and to recognise it is not the same as to concede the Republic a negotiating role in the internal affairs of the United Kingdom. We cannot go along with some of the political ideas canvassed by the Government of the Republic recently. But, we should damage our own objectives if the Irish feel that they are being cold-shouldered.
5. Thirdly, we could profit from their help - if they can be persuaded to offer it - in encouraging the minority leaders in the North (with whom Mr Haughey's Fianna Fail party has close ties) to stay in the dialogue with HMG on political advance in Northern Ireland, and to look realistically at what we propose, rather than take refuge in romantic hopes that the government of the Republic can secure them

CONFIDENTIAL

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a much better deal.

6. For his part Mr Haughey, having made public promises that he will pursue the question of Northern Ireland with other European political leaders, needs a meeting with you: he has been criticised at home for going to Paris before London. What use he will wish to make of a meeting, in terms of substance as distinct from presentation, is not clear (but you will, I expect, have noted two recent intelligence reports that throw some light on his approach).

7. Mr Haughey said to me when we met in Dublin that he would be imaginative and radical, even revolutionary about constructive proposals for dealing with Northern Ireland in a broad context; that while he welcomed our present initiative for what it was, it was not enough; and that the problem could not be solved in an exclusively Northern Ireland context - to attempt to do so would play into the hands of the terrorists. The wider context in which the problem needed to be tackled had three elements: relations between the two communities in the North, between North and South, and between Britain and Ireland. These wider aspects should be discussed in 'parallel talks' between the British and Irish governments. The Irish had in mind (and he may repeat this to you) the widest possible scope for such discussions: economic co-operation; defence and security co-operation (there was a hint of an Irish readiness to join NATO); common citizenship; and a possible Anglo-Irish council. As stated, ^{No} these are no more than pretty meaningless (and one must, realistically, say improbable) generalities: and the issues arising from them will need detailed and rigorous consideration. None of them bears on the central issue that a majority in the North are unpersuaded that the Republic has anything to offer them.

8. Mr Haughey will want to make it known immediately that a bilateral meeting, if you agree, has been arranged. I would go along with that, although we must expect some reaction from the Unionists, just as they have been protesting about my meeting with him and Mr Lenihan. But there are sound reasons for such meetings, and I have not hesitated to say so.

9. As regards timing, Mr Haughey urged that you should meet before we publish further proposals for political advance in Northern Ireland. I reserved our position on that, although it would, on balance, suit us - at best he might then be persuaded to help with the SDLP reception of our proposals. This consideration would point to a meeting as early in May as you and he are able to arrange it.

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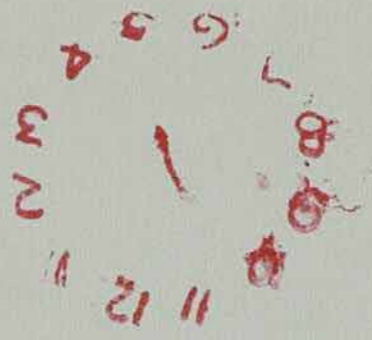
10. I am sending a copy of this minute to the Foreign, Home and Defence Secretaries and to Sir Robert Armstrong.

HA.

HA

24 April 1980

CONFIDENTIAL



24 APR 1980

NORTHERN IRELAND: ADVANCE COPIES

+24

Ireland

PS

N IRELAND OFFICE - PS TO SEC OF STATE
RM 66 A/2 GGS

PS/SIR I GILMOUR

N IRELAND OFFICE [4 copies]

PS/PUS

MR K STOWE

MR FERGUSSON

MR MARSHALL

HD/RID

MR P W J BUXTON

PUSD (2)

CABINET OFFICE - SIR R ARMSTRONG

HD/IPD

MR R WADE-GERY

HD/OID (2)

DIO

NEWS DEPT

NO 10 DOWNING STREET

.....
S. A. Adland
.....

RESIDENT CLERK

IMMEDIATE

GRPS120

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DESKBY

ADVANCE COPY

FM DUBLIN 23:1710Z APRIL 1980.

TO IMMEDIATE DESKBY 23:1800Z FCO

TELEGRAM NUMBER 142 OF 23 APRIL 1980.

AND REPEATED PRIORITY FOR INFO TO NIO (B)

YOUR TELEGRAM NUMBER 64 AND TELECON WITH NEWINGTON, R.I.D., TODAY:
MEETING BETWEEN THE PRIME MINISTER AND TAOISEACH.

1. I SPOKE AS INSTRUCTED TO NALLY, THIS AFTERNOON, WHO SAID HE
WOULD CONVEY WHAT I HAD TOLD HIM TO MR HAUGHEY.

2. IN CONVERSATION, NALLY STRESSED THAT THE TAOISEACH DID NOT
(REPEAT NOT) EXPECT TO DISCUSS NORTHERN IRELAND AT THE LUXEMBOURG
MEETING. NALLY ASKED IF MRS THATCHER, IN LUXEMBOURG WOULD
PROPOSE DATES FOR A FURTHER MEETING AND I REPLIED THAT I DID NOT
KNOW. NALLY THEN EMPHASIZED THAT MR HAUGHEY WOULD WISH TO BE
ABLE TO SAY, AFTER THE LUXEMBOURG MEETING, THAT A FURTHER
MEETING WOULD TAKE PLACE.

3. HE ALSO SAID THAT MR HAUGHEY WOULD LIKE THE MEETING IN
LUXEMBOURG TO HAPPEN EARLIER RATHER THAN LATER. THE TAOISEACH HAD
OTHER MEETINGS TENTATIVELY LINED UP BUT WOULD DROP THEM IN ORDER
TO SEE THE PRIME MINISTER WHO HAD QUITE ABSOLUTE PRIORITY UNQUOTE

2. IN CONVERSATION, NALLY STRESSED THAT THE TAOISEACH DID NOT (REPEAT NOT) EXPECT TO DISCUSS NORTHERN IRELAND AT THE LUXEMBOURG MEETING. NALLY ASKED IF MRS THATCHER, IN LUXEMBOURG WOULD PROPOSE DATES FOR A FURTHER MEETING AND I REPLIED THAT I DID NOT KNOW. NALLY THEN EMPHASIZED THAT MR HAUGHEY WOULD WISH TO BE ABLE TO SAY, AFTER THE LUXEMBOURG MEETING, THAT A FURTHER MEETING WOULD TAKE PLACE.

3. HE ALSO SAID THAT MR HAUGHEY WOULD LIKE THE MEETING IN LUXEMBOURG TO HAPPEN EARLIER RATHER THAN LATER. THE TAOISEACH HAD OTHER MEETINGS TENTATIVELY LINED UP BUT WOULD DROP THEM IN ORDER TO SEE THE PRIME MINISTER WHO HAD QUOTE ABSOLUTE PRIORITY UNQUOTE. (MY TELEGRAMS NO'S 116 AND 138.)

4. MR HAUGHEY AND PARTY WILL STAY AT THE HOLIDAY INN. THEY WILL BE THERE FROM 1800 - 2000 HOURS ON 26 APRIL AND THEREAFTER, THAT EVENING SEMICOLON AT THE IRISH AMBASSADOR'S HOUSE.

5. NALLY WILL PROBABLY TELEPHONE MICHAEL ALEXANDER, TOMORROW (24 APRIL) TO ARRANGE A CONTACT IN LUXEMBOURG.

NNNN

HAYDONN

SENT/43:00 AT 23:1750Z CB/00,

Subject filed as Euro Pt:
Euro Council Mtgs: Pt 3

CONFIDENTIAL

HS

21 April 1980

European Council: Bilateral meetings

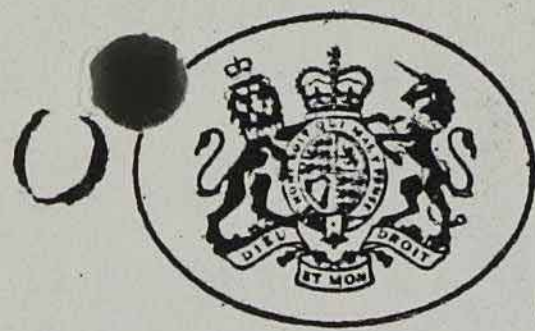
As I have told you on the telephone, the Prime Minister would prefer not to meet Messrs. Haughey and Van Agt before the European Council opens on Sunday afternoon. She wishes to be able to concentrate on the problems on the Council agenda. However there would be no objection to trying to arrange a bilateral with Mr. Haughey later in the meeting.

MICHAEL ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

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Subject filed on Euro Pd
Euro Councils
PE3



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

Shall I arrange meetings
with Messrs Haughey or van Agt
as proposed?

18 April 1980

Paul 18/4

Dear Michael,

European Council: Bilateral Meetings Between the
Prime Minister and other Heads of Government

The Prime Minister has already agreed to have a general talk with the Taoiseach in the margins of the European Council and it is for us to suggest a time and place. Since they have not yet met there might be advantage, if the Prime Minister's timetable allows, for the meeting to take place before the Council opens (at 3.00pm on 27 April).

No

It might also be useful for the Prime Minister to have a word with the Dutch Prime Minister before the Council opens, given that it has so far proved impossible to find a convenient date for the Prime Minister to visit The Hague.

Why?

The Prime Minister will be staying at the Holiday Inn. The most convenient course might be for Mr Haughey and Mr Van Agt to be invited to call on her there at, say, 2.00 pm and 2.30 pm respectively.

Perhaps you could let me know whether the Prime Minister's travel plans might be so adjusted as to allow for these appointments and, if so, whether we may go ahead and make arrangements accordingly.

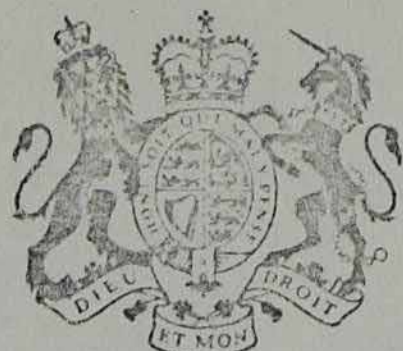
No - The point about choosing the European Council is that we will have met him in company with several other heads of state
Yours etc

Paul

(P Lever)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON

CONFIDENTIAL



cc HO
NIO
CO.

B

Ireland

10 DOWNING STREET

From the Private Secretary

2 April 1980

Meeting between the Prime Minister and the Taoiseach

The Prime Minister has seen your letter to me of 1 April about the possibility of an invitation being issued to Mr. Haughey for a meeting with the Prime Minister in London later this month. She has also seen the Home Secretary's minute to her of 31 March about the Northern Ireland Conference, which refers to the proposed meeting with Mr. Haughey, and Roy Harrington's letter to me of 28 March.

The Prime Minister, who had a word about the problem with the Foreign and Commonwealth Secretary and the Home Secretary earlier today, has decided that she would prefer that her first meeting with Mr. Haughey should take place during the European Council. She would prefer, therefore, that no invitation to a bilateral meeting should be issued for the present. The question of a meeting in May can be reviewed in the light of what takes place in Luxembourg.

I am sending copies of this letter to John Chilcot (Home Office), Roy Harrington (Northern Ireland Office) and David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

Ge



(1)

10 DOWNING STREET

Visit by Mr Haughey.
Prime Minister.

You will see from the attached papers that the Home Secretary, the Foreign Secretary & the N. Ireland Secretary all favour a meeting (in London) between you & the Taoiseach before the European Council meeting at the end of the month. (They are all aware of your negative reaction to the idea when it was first mooted.)

You would probably offer Mr Haughey lunch & talks in the afternoon on April 23. But you may wish to have a word with Mr Whitelaw & Lord Cairns in the margin of O.D. to-morrow.

(The Home Secretary's minute also deals with other N. Ireland issues)

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

*It would be easier
to meet him for the in the
company of others.*

1 April 1980

Prime Minister

*Agree draft
telegram?*

①
1 hrs 1/4

Dear Michael,

Meeting Between the Prime Minister
and the Taoiseach

You wrote to me on 26 March about the Prime Minister's reaction to Mr Haughey's approach reported in Dublin telno 116. You will since have seen Roy Harrington's letter of 28 March; and the Home Secretary will be minuting to the Prime Minister recording the outcome of the meeting of MISC 24 on 27 March.

No

The Foreign and Commonwealth Secretary endorses the view that we should respond positively to Mr Haughey's suggestion of an early meeting with the Prime Minister; and that if a suitable date can be found there would be advantage in holding this before the European Council. This would make it easier for us to present the meeting as primarily concerned with Community issues, especially the budget. Mr Haughey himself has made it clear that he would hope for a wide ranging discussion. We cannot of course expect much support from him on the budget issue at the European Council; but an invitation by the Prime Minister for him to visit London would be helpful in terms of goodwill if nothing else.

Lord Carrington agrees that we cannot give Mr Haughey grounds for supposing that we are prepared to concede him any role in determining how Northern Ireland is to be governed. Nor of course can we get involved in any discussion of Irish unity. On the other hand, there are aspects of the Northern Ireland problem which could usefully be discussed with him. This includes security questions of course, but also such issues as the use of European Community funds both to promote cross-border cooperation and to ease Northern Ireland's socio-economic problems. In discussing Anglo/Irish relations there would be no need for us to be unduly on the defensive about Northern Ireland; we might indeed raise with Mr Haughey the unhelpful impact on the North of repeated calls for Irish unity and what the Northern Irish see as the continuing threat represented by Articles 2 and 3 of the Irish Constitution.

M O'D B Alexander Esq
No 10 Downing Street

/Lord Carrington

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2.



Lord Carrington's view therefore is that while we cannot expect Mr Haughey to agree that there should be no discussion of Northern Ireland, we should be able to avoid the talks extending into areas which would cause trouble with the Unionist community in Northern Ireland. In positive terms, we would hope to convince him, and hence the SDLP, that the latter cannot expect him to get a better deal for them from HMG than they can get themselves in further negotiations with the Northern Ireland Secretary.

The meeting would of course need to be very carefully prepared, especially as regards Press and TV handling, both beforehand and afterwards. But the signs are that Mr Haughey himself is conscious of the need to tread carefully.

... I attach a draft telegram of instructions to Sir R Haydon, which is written on the assumption that the Prime Minister will be able to offer at least one date before the European Council.

I am sending a copy of this letter to Roy Harrington in the Northern Ireland Office.

Yours ~~own~~

(P Lever)

CONFIDENTIAL

File No.
 Department RID
 Drafted by MJ NEWINGTON
 (Block Capitals) 233 3994
 Tel. Extn.....

OUTWARD
 TELEGRAM

| |
|---|
| Security Classification CONFIDENTIAL |
| Precedence IMMEDIATE |
| DESKBYZ |

| | | |
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| FOR COMMS. DEPT. USE | Despatched (Date) (Time)Z | POSTBY.....Z |
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 (Security Class.) CONFIDENTIAL (Caveat/
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 (Codeword) (Deskby).....Z

TO..... IMMEDIATE DUBLIN Tel. No. of
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AND TO (precedence/post).....

AND SAVING TO.....
 REPEATED TO (for info)..... IMMEDIATE: NIO BELFAST

SAVING TO (for info).....

Distribution:-

[TEXT]

YOUR TELNO 116: MEETING BETWEEN THE TAOISEACH
 AND THE PRIME MINISTER

1. You should speak as follows to the Taoiseach,
 or if you think it more appropriate, to Nally.

2. The Prime Minister is conscious that the
 Taoiseach is the only Head of Government of the Nine
 whom she has not yet met. And she would be happy,
 if a mutually agreeable date can be found, to arrange
 a meeting with him before the European Council, now
 that the latter has been postponed. For security
 reasons she would prefer, as Mr Haughey suggests,
 that it be in London.

Copies to:-

CONFIDENTIAL

3. The Prime Minister has a full programme for April, as no doubt has Mr Haughey. But she could manage a meeting on *the afternoon of 23 April*.

~~or~~ . If these dates are difficult for Mr Haughey it would no doubt be possible for them to meet briefly in the margins of the European Council, though this would not be an occasion for substantive talks. So it might in such circumstances be worth considering in advance of the European Council whether a mutually convenient date could be found early in May.

4. Publicity both before and after a meeting between the Prime Minister and the Taoiseach would need to be handled very carefully, not least because of the possible impact on the negotiating process in Northern Ireland. We would hope therefore that there would be no premature leak until we had settled together the line to be taken with the media.

NOTHING TO BE WRITTEN IN THIS MARGIN

CONFIDENTIAL

11 12 1
2 3 4
5 6 7
8 9 10

1 - APR 1980

From: THE PRIVATE SECRETARY

PRIME MINISTER

The Home Secretary will
NORTHERN IRELAND OFFICE
GREAT GEORGE STREET,
LONDON SW1P 3AJ



Michael Alexander Esq
10 Downing Street
London SW1

be minuting you separately;
this letter reports Mr Atkins'
views of the timetable.

28 March 1980

MS

Dear Richard,

*An very doubtful
about present
pub.*

See also at Flag A
Robert Armstrong's views
on Mr Haughey's likely approach

At their meeting last Wednesday the Prime Minister and my Secretary of State considered briefly the prospects for a meeting between the Prime Minister and Mr Haughey sometime after the postponed European Council; a meeting between my Secretary of State and Mr Lenihan, the Republic's Minister for Foreign Affairs; and the publication of the Government's proposals for the next steps in political development in Northern Ireland. My Secretary of State has been giving further thought to this and it was discussed at MISC 24 on Thursday.

*TL
28/3*

A meeting between Mr Atkins and Mr Lenihan should be the first of the three. Such a meeting had to be postponed when the Northern Ireland Conference adjourned unexpectedly early just before the Secretary of State's proposed visit to Dublin. A visit then might have awoken fears - however unfounded - of a "secret deal with Dublin". A meeting quite soon after Easter would be less likely to give rise to such fears on the part of the Official Unionists, and we know that the parties attending the Conference do not object to such meetings on matters of mutual interest. There are some specific things, particularly our mutual interest in the electricity inter-connector which terrorists have damaged and which we should like to see repaired and protected, which we need to discuss. We need to keep up the pressure on security co-operation, which in general is going well. We should inform, but not consult, the Irish about the outcome of the Conference.

W Second in order, my Secretary of State believes there would be considerable merit in a meeting between the Prime Minister and Mr Haughey, which should probably take place before the Government's document is published. This was discussed specifically at MISC 24 on Thursday and the Home Secretary will be minuting the Prime Minister. From our point of view (but we recognise that there are other important considerations) the purpose of a meeting with Mr Haughey should be to establish in his mind, and get him to establish in John Hume's, the firm conviction that HMG has absolutely no intention of alienating the Unionists by involving Dublin directly in negotiating future arrangements for Northern Ireland, and will bring no pressure to

Don't need a meeting to say this.

bear on UK citizens in Northern Ireland to change their constitutional status. The result, we hope, would be to encourage John Hume and the SDLP to negotiate constructively in the next stages of the political process, after publication of the Government's proposals for the restoration of some form of devolved government to Northern Ireland.

Publication of these proposals should be the last of the three steps, coming at a respectable interval after any meeting with the Irish Prime Minister. But publication for other reasons is likely to need to be no later than mid or late May, which shows how quickly we must press ahead with the two previous items.

We shall of course approach you nearer the time for the Prime Minister's approval for a visit to Dublin to see Mr Lenihan.

I am sending a copy of this letter to John Chilcot, George Walden and David Wright.

Yours sincerely,

R A Harrington

R A HARRINGTON

28 MAR 1980

6 7 8 9 10 11 12 1 2 3 4 5 6

Faint, illegible text, likely bleed-through from the reverse side of the page. The text is mostly centered and spans several lines.

ms.

Ref. A01821

MR. WHITMORE

Mr. Stowe sent you a copy of his letter of 25th March about Mr. Haughey's line of approach to the Prime Minister when they meet at the forthcoming meeting of the European Council.

2. We shall of course be providing the Prime Minister with briefing against this meeting nearer the time. What follows is very much preliminary and personal observations.

3. Mr. Haughey's line seems to me ^{and} potentially very troublesome. His predecessors have tended to restrict security co-operation, and tried to use improvements as a means of buying political concessions from the British Government. It looks as if Mr. Haughey's line is rather more subtle: the security co-operation since he succeeded Mr. Lynch has been better than it has ever been. I wonder whether he may be hoping to create a situation in which we come to depend on it, and the political prices are then demanded, not for further improvements but for maintaining the degree of co-operation on which we have come to depend.

4. Mr. Haughey is also trying hard to give the Northern Ireland problem a European dimension, as is apparent from his meeting with President Giscard and now from the suggestion that we might seek Community financial support for the security effort. I am sure that the Community as a whole, including President Giscard, will not want to be dragged into the political dimension of Northern Ireland - though that does not exclude the possibility of Community expenditure to support the economy of Northern Ireland. What will be more worrying is if Mr. Haughey tries to bargain political concessions on Northern Ireland for support of our budget contribution. I have no doubt that we can avoid being trapped in that kind of linkage. But I think we can expect to find the pressures from Dublin both more subtle and more intense in future.

RA

ROBERT ARMSTRONG

28th March, 1980



PA 401821

MR. WHITMORE

Mr. Stowe sent you a copy of his letter of 1st March about Mr. Haughey's line of approach to the Prime Minister when they met at the forthcoming meeting of the European Council.

We shall of course be providing the Prime Minister with briefing against this meeting nearer the time. What follows is very much preliminary and personal observations.

Mr. Haughey's line seems to be potentially very troublesome. It is clear that the Government have tended to restrict security co-operation, and this to use improvements as a means of buying political concessions from the British Government. It looks as if Mr. Haughey's line is rather more subtle: the security co-operation since he succeeded Mr. Lynch has been better than it has ever been. I wonder whether he may be hoping to create a situation in which we come to depend on it, and the political price is then demanded, not for further improvements but for maintaining the degree of co-operation in which we have come to depend.

Mr. Haughey is also trying hard to give the Northern Ireland problem a European dimension, as is apparent from his meeting with President Giacobetti and how from the suggestion that we might seek Community financial support for the security effort. I am sure that the Community as a whole, including President Giacobetti, will not want to be dragged into the political dimension of Northern Ireland - though that does not exclude the possibility of Community expenditure to support the economy of Northern Ireland. What will be worrying is if Mr. Haughey tries to use the political concessions on Northern Ireland as a lever for our budget contribution. I have no doubt that we can avoid being dragged into the kind of linkage, but I think we can expect to find the pressure from both more subtle and more intense.

28 MAR 1980
MAR 28 1980

28 MAR 1980

jfh

Emm PA

B/F 2-4-80

26 March 1980

Meeting between the Prime Minister
and the Taoiseach

The Prime Minister has seen Dublin telegram 116 of 21 March to the FCO on this subject. She has indicated that while she would be willing to meet Mr. Haughey in the margin of the European Council it would have to be made clear that she would not be prepared to talk to him about Northern Ireland either in Brussels or at any subsequent meeting in the immediate future.

No doubt you will be sending advice on a considered reply to Mr. Haughey's approach. You will wish to take the Prime Minister's views into account.

Michael Alexander

Paul Lever, Esq.,
Foreign and Commonwealth Office.

2/2



The National Archives

| | |
|--|--------------------------------------|
| LETTERCODE/SERIES <i>PREM 19</i> | Date and sign |
| PIECE/ITEM <i>283</i> (one piece/item number) | |
| Extract/Item details: <i>Letter from Ken Stowe, NIO to Robert Armstrong dated 25 March 1980</i> | |
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Original on Ireland,
Situation Pt 6.



PRIME MINISTER

Yes

Prime Minister

Agree procedure on page 2?
(See minute on invitation to R. Haughey)

①

THE NORTHERN IRELAND CONFERENCE

Paul

The Ministerial Group on policy on Northern Ireland which you agreed should be established last October has just met under my Chairmanship to consider progress in the Northern Ireland Conference and agree on the way ahead. The purpose of this minute is to let you know our conclusions.

It is our view that the Conference which has now adjourned, has made useful progress. Although the Ulster Unionist Party (UUP) have not taken part, the three parties who have attended have got to know each other's points of view better, and have reached a good working relationship with the Secretary of State for Northern Ireland. As he has already reported to the Cabinet, its major achievement is that the Government and the three political parties now know where possible areas of agreement lie, where there may be scope for compromise and where each party's position is immovable. Furthermore they have come to a better understanding of the Government's sincerity and determination to achieve a political solution in Northern Ireland. There is a general expectation that the next move lies with the Government when the Conference reconvenes.

But the Conference has made no real progress towards resolving the power-sharing dilemma. This is the central issue which has got to be settled or got round by one means or another before a political solution can be achieved. The future is not entirely without promise. Although the Conference has formally adjourned, the private bilateral talks with the parties which were being conducted in parallel with the formal business, will continue. These private talks have given the Secretary of State for Northern Ireland a much clearer view than hitherto of what the political parties do not want, which includes an extension of local government on the English pattern. They are all quite clear that they want some form of devolution.

/On procedure



On procedure we consider that the next step should be for the Secretary of State for Northern Ireland to produce a draft White Paper which will make some rather more specific proposals than those in the original consultative document which formed the working paper for the Conference. I propose that this should be considered by my group towards the end of April, circulated for the approval of the Cabinet and published by mid May.

This White Paper would provide a basis for further bilateral discussion with all the main parties including the UUP leading perhaps to a reconvened Conference meeting in London. There might also during this stage be a Parliamentary debate on the matter. The Secretary of State for Northern Ireland would then aim before the Summer Recess to put proposals to the Cabinet in the light of this further Conference on which conclusions would be reached about content and practicalities of legislation to take place early in the next Session of Parliament, with an appropriate reference to it in The Queen's Speech.

This is obviously an ambitious timetable particularly when the solution of the central problem is still in doubt. But there seems to us to be every advantage in keeping up the pressure on the four political parties. They are unlikely to agree to our eventual proposals with enthusiasm and we shall not in any case be able to override their total opposition. But we may be able to obtain their reluctant acquiescence to proposals which they see command the agreement of the other political parties and a degree of popular support in Ireland.

If we do not maintain the pressure, we are likely to be pressed ourselves, particularly from abroad. Mr Haughey has already expressed a wish to see you as soon as possible to discuss a wide range of subjects including Northern Ireland. We do not consider that you will wish to discuss these matters with him in the margins of

/the postponed



the postponed European Council meeting and we believe that the balance of advantage lies, in inviting him to London to have talks with you as soon as your diary allows after Easter. We are not fortunately being subjected to any pressure from the United States at the present moment but this situation may change if we cannot demonstrate some signs of progress. This is another argument in favour of an early invitation to Mr Haughey.

I would be grateful for your agreement to the procedure proposed in this minute of which copies go to the Lord Chancellor, Lord Privy Seal, Secretary of State for Defence, and Secretary of State for Northern Ireland. I am also sending copies to members of OD for their information.

WHD

S. Mand

1980

PART 1 ends:-

Tel 260 from Dublin 6.9.80/79

PART 2 begins:-

Home Sec to PM 3.3.80

