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RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE
TAOISEACH, MR. CHARLES HAUGHEY, IN DUBLIN CASTLE ON 8 DECEMBER 1980
AT 1045

SUBJECT

see West 26/2/81

Present:-

Prime Minister

The Taoiseach

Mr. M.O'D.B. Alexander

Mr. Dermot Nally

The Hunger Strike

The Taoiseach said that he thought the statement issued by the British Government on 4 December had been very good. The opening that had been left for further discussion of humanitarian issues was particularly important. The Irish Government were pressing very hard for this to be taken up. The hunger strikers were still receiving relatively little support. The turnout at the march in Dublin on 6 December had been very disappointing for the organisers. However, the Irish Government was still very anxious that a solution should be "brought forward". They felt there was still a need for some additional face-saving device. The Prime Minister said that the statement was intended to be a final one. The Government could not go on making offers. Everyone in the North had said that there was no point in continuing the hunger strike. The Church had come out strongly in this sense. She was delighted with the statement which John Hume had made. There was now nothing left to give. The Taoiseach said that Mr. Hume could play a very important role.

The Taoiseach said that in his view the next step should be for the Northern Ireland Office to talk "quietly and unobtrusively" to the hunger strikers about coming off the strike. Of course no more concessions should be made. The Prime Minister asked who precisely the Taoiseach had in mind. He replied that the three prison Chaplains would be the best channel. The Northern Ireland Office should use them as intermediaries with the hunger strikers. They should not try to use any other intermediary, e.g. more senior members of the Church or other prisoners. The more nearly there

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were direct talks between the Northern Ireland Office and the prisoners the better. The Prime Minister expressed some concern as to whether the presence of a representative of the Northern Ireland Office might not stiffen the resistance of the hunger strikers. She asked whether, for instance, a representative of the Northern Ireland Office and one of the priests should see the hunger strikers together. The Taoiseach initially said that he was not sure but on a subsequent occasion indicated that he thought that this might be the best formula. He thought that the priests were honest and direct. He trusted them. The Prime Minister asked whether they knew that the Irish Government wanted a solution. The Taoiseach said "very much so". His understanding was that the hunger strikers accepted that political status was not achievable and that they were looking for a way of getting off the hunger strike.

The Prime Minister asked whether the hunger strikers themselves had the authority to abandon the strike. The Taoiseach said that the picture was not altogether clear but that he thought they could decide for themselves. Their leader was Brendan Hughes. It was he who would probably take the decision, and it was through him that the effort to end the hunger strike would have to be made. The Taoiseach repeatedly stressed the great importance that he attached to ending the strike. Already the strike had enabled the PIRA to recover influence in Belfast. People who had not been seen there for years had recently been reappearing. If the hunger strikers started to die, the scene in Ireland would change radically.

The General Political Situation

The Taoiseach said that his Government were hoping for some political movement. He had been able to carry his people with him on his policy towards Northern Ireland so far. But he needed to have something to show for his efforts soon. One paradoxical consequence of the success of the policies pursued in recent months had been to import violence into the Republic. As a result of the diminution of the flow of funds from the United States, the IRA had started robbing banks in the Republic. Three policemen had lost their lives. Moreover, the cost to the Irish taxpayer of

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the increased security co-operation was considerable. It cost the Irish three times as much per head to maintain security efforts related to Northern Ireland as it cost the British: £25 per head as against £8 per head. In a real sense, events in Northern Ireland were distorting life in the Republic.

The Prime Minister pointed out that the PIRA operated from the South against the North. The Taoiseach admitted the point but said that PIRA violence by and large now originated in and was controlled from Belfast. Most Southerners of significance had been locked up. His ambition was to isolate the PIRA leaving them with no support and no platform. If he and the Prime Minister could develop some new ideas, if there could be some political movement, he would use this as the basis for a crusade to end the violence. He would throw his personal prestige behind the crusade and was confident of his ability to mobilise considerable backing. His line would be that "We are looking at the problems constructively, we are considering suggestions, and pending this the violence must cease". He wished therefore to propose to the Prime Minister that a joint conference between the two Governments should be held next year to review "in a fundamental way the totality of our relationship". In such a conference he hoped that something might be thrown up which would help to resolve the difficulties which the British Government had encountered in the talks which had followed the publication of their White Paper.

The Prime Minister said that she thought it was too soon for such a conference. She was very pleased at how the cross-border studies had gone. An effort should be made to extend cross-border co-operation into other areas e.g. the electricity connector, the electricity cable joining the Republic and South Wales, tourism, etc. The two Governments had to demonstrate their ability to co-operate effectively across the border despite the problems. The Taoiseach said that he did not think that cross-border studies, though good in themselves, would carry things very far. It was essential to talk Government to Government. The Unionists looked to London and the Nationalists to Dublin and it was only therefore in the context of Government to Government talks that their problems

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could be tackled. He wondered therefore whether he and the Prime Minister could not commission some studies which could form the basis for a future meeting. The Prime Minister agreed that such studies could be commissioned and justified on the basis of the unique relationship between the two countries. But it was essential that such studies should address themselves to practical ways of improving co-operation between Westminster and Dublin and across the border. What exactly did the Taoiseach have in mind for the joint studies? The Taoiseach said that his Government were ready to talk realistically about reciprocal voting rights. They had taken the necessary political and legal steps. There only remained the question of whether or not they should wait for the publication of the British Nationality Bill. They would also be willing to talk about energy and about tourism. Finally, they envisaged studies about the possibility of developing new structures, evolving out of the unique relationship between the two countries, into which Northern Ireland might fit. In general he hoped that the studies would serve to show how closely the two Governments were working together.

The Taoiseach said that he would be delighted if the Prime Minister could herself make some form of personal input into the cross-border studies. He himself had seen those responsible for the Londonderry/Donegal study and the Lough Erne study. He had the impression that those involved were satisfied with the input from the Republic but less satisfied with that from Northern Ireland. The Prime Minister expressed surprise and undertook to look into the problem. More generally, endorsing the suggestions made by the Taoiseach, the Prime Minister said that it was no good limiting relations between the two Governments to meetings every six months. There had to be greater continuity at all levels. The Taoiseach agreed. The two Governments must work together and be seen to be doing so.

The Prime Minister expressed her gratitude for the contribution that the Irish authorities were making to cross-border co-operation in the security field. She thought the joint effort was going very well indeed. The Taoiseach agreed. It was hard to see at

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present how it could be greatly improved. It was however relevant that the Irish Government were instigating a general up-grading of their security capability. This would be very expensive. They were looking at communications ^{and} transport. They would be acquiring new helicopters and light aircraft. It was essential that the violence be contained, and in particular, that the bank raids should be stopped.

The Prime Minister commented on the general threat to all Governments posed by international terrorist violence. The PIRA was of course as much a threat to the Government in Dublin as to anyone else. The Taoiseach agreed. The PIRA sought the overthrow of both States. However, he thought that between them, the Prime Minister and he could solve the problem of Northern Ireland. He recognised that broader defence issues would have to be involved at some stage. He accepted, and would be happy to repeat, the sort of formula used by Mr. de Valera: the Irish Government entirely accepted that the United Kingdom was entitled to be completely satisfied about Ireland's strategic position. The Republic would not allow itself to be used as a springboard for action against the United Kingdom. The Irish would be ready to make the "necessary arrangements" to give expression to this assurance. The Prime Minister noted what the Taoiseach had said. As regards Northern Ireland, it was clear that the only way to progress would be by persuasion. Mr. de Valera himself had recognised that the use of violence against Northern Ireland would get nowhere. She herself would have to stand by the guarantee long since given to the majority in Northern Ireland. There was no possibility of her doing otherwise. The Taoiseach said that the corollary of this must be to provide a political basis which would make violence irrelevant and baseless.

The Economic Situation

In response to a question from the Prime Minister, the Taoiseach said that his Government were now experiencing major problems in the agricultural sector. The CAP "meant everything" to them. Forty per cent of the work force in the Republic was still, either directly or indirectly, dependent on agriculture. The contribution made by agriculture to Ireland's GNP was far greater than was the

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case for the United Kingdom. The Irish Government's approach to the CAP was therefore diametrically opposed to that of the British Government. They would be arguing that Ireland was a special case. It was a country "remote from the centre" and heavily reliant on agriculture. They would argue for a maximum price rise. In answer to a question from the Prime Minister about the effect of such a price rise on consumers, the Taoiseach replied that for them the benefits of a substantial price rise would outweigh the drawbacks.

In the course of a general discussion about the economic situation the Taoiseach commented that the gap between the exchange rates of the pound and the punt had been of some advantage to the Irish but less than might have been expected. They were competing in the British market with United States and continental suppliers rather than with British suppliers. The Irish were experiencing no difficulty in financing their PSBR because they had a good credit rating and people seemed anxious to lend to them. They were having to phase out their programme of tax incentives for inward investment because of Community pressure. The programme had been very successful in the past but was now proving expensive: it would cost the Irish Government £100 million this year. More fundamental problems facing the Irish Government were the very inadequate infrastructure in the country and the youth of their population: half the population would soon be under 25. The Prime Minister, in reply, explained her own economic policies. She stressed the need to get down inflation and to expand the more efficient industries with the aid of incentives. The Taoiseach expressed considerable interest in the enterprise zone concept and the Prime Minister undertook to ensure that he was provided with details. The Taoiseach asked whether the Prime Minister's attack on inflation was compatible with reducing the level of unemployment. The Prime Minister said that in the short run it was not but that in the long run it was the only answer. The Taoiseach asked whether she thought that any upturn in the present recession was in sight. The Prime Minister said that much would depend on what happened to the American economy and to the price of oil. But her own hope was that we were coming to the bottom

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of the trough. She hoped that there would be some improvement towards the end of next year. She did not expect this to be rapid or dramatic.

Poland

There was a brief discussion of the situation in Poland. The Prime Minister said that the Soviet Union had completed their preparations for intervention. But she doubted whether anything would happen until President Brezhnev returned from India.

United Nations

The Taoiseach said that the Irish would wish to keep particularly close to the British during their time on the Security Council. The Prime Minister welcomed this.

Political Co-operation

The Taoiseach asked about the British Government's proposals to develop the political co-operation machinery further. The Community had not reacted sufficiently quickly over Afghanistan. The Prime Minister said that she thought political co-operation was developing well but it was true that the Nine had been slow off the mark at the time of Afghanistan. She thought that they would be unlikely to make the same mistake again.

The discussion ended at 1215.

Paul