

*Since overtaken by
Mr Hanrahan's statement
on 29/6. Wm
29/6*

Ref. A05176

NOTE FOR RECORD

cc Mr. Alexander (No. 10)
Mr. Burns (FCO)
Mr. Smith (NIO)

Conversation with Mr. Nally

Following the telephone call from Mr. Nally yesterday evening (and the receipt of Sir Kenneth Stowe's letter of today's date), Sir Robert Armstrong telephoned Mr. Nally at 5.00 pm this evening.

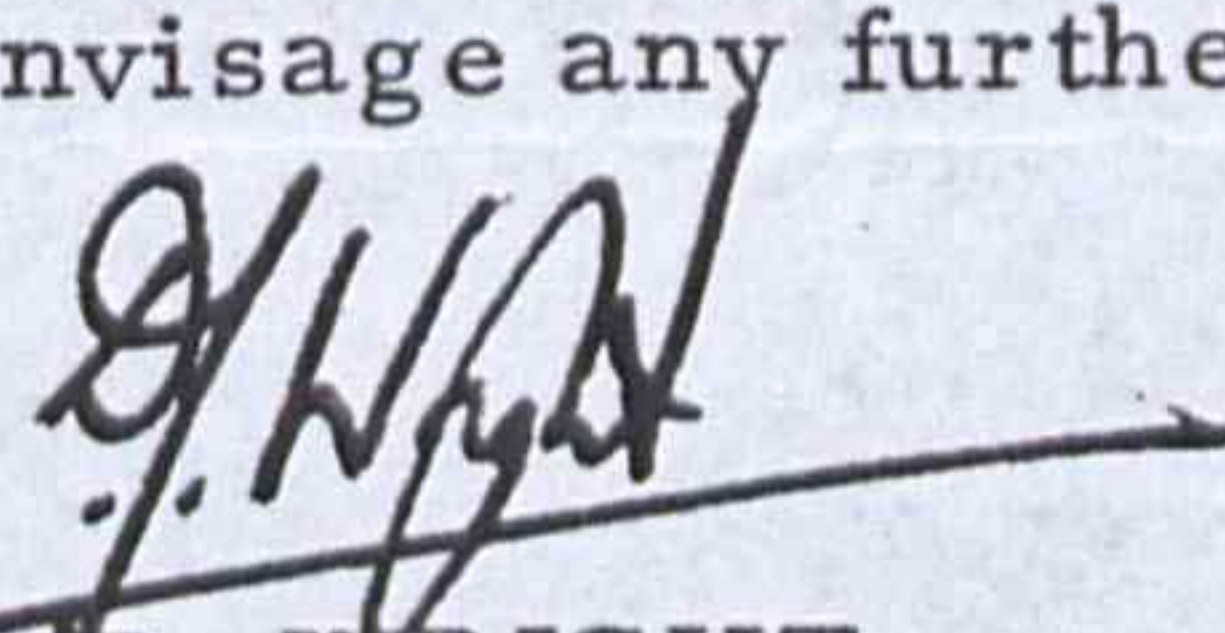
2. Sir Robert said that he had conveyed the Taoiseach's message to the Prime Minister, who had been grateful for it and would ensure that it was carefully considered. Sir Robert explained our preliminary reaction on the six points made in the message (drawing on the line in Sir Kenneth Stowe's letter). He said that:

- (a) We were fully seized of the present situation and of the significance of the present lull.
- (b) We accepted that in practical terms it was the prisoners themselves who had the final choice. But others still exerted influence on them and their decisions.
- (c) As for the channel of communication, there already was an effective channel to the prisoners through the Governor. This had proved successful so far on a number of other matters. This remained the most natural channel to use and it would avoid any confusion. But we were of course prepared to be in touch with any responsible body which wished to put views to us.
- (d) The Government would be making a statement on Monday (almost certainly the Secretary of State for Northern Ireland) containing a restatement of what was currently available to prisoners and Her Majesty's Government's commitment to a humanitarian regime. It would be on the lines of the 18th December statement. It would be shown to the Irish in advance (early on Monday) through the normal channels. It would also be circulated to the prisoners.

- (e) On the suggestion of a settlement phased over six months, perhaps involving guarantors, Sir Robert said that he had no wish to leave any doubts in Mr. Nally's mind. We were not looking for a method to concede the five demands surreptitiously. We welcomed the recognition that any changes inevitably take time. We believed that if there were changes, the question of guarantors would be less relevant since any changes would be self-policing.
- (f) Sir Robert said that as for the search for a "final settlement", we would be glad to see progress now if it could be made. We remained committed to a humanitarian regime in the prisons. The Government could not change its position on the basic principles: no differentiation in the conforming prison regime and no loss of control. We were pleased the Irish were not asking for this and were willing to go on talking.

3. Mr. Nally said that he was grateful for this response. He would of course now have to see what reaction there was to the Secretary of State's statement (which he would show to the Taoiseach as soon as he received it). But he thought that what Sir Robert Armstrong had told him "looked slightly hopeful".

4. Sir Robert emphasised that it was important not to overstate Her Majesty's Government's room for manoeuvre. We had already gone a very long way and it was difficult to see how much further we could go without compromising our basic principles. Mr. Nally thought that the process of setting down clearly on paper what was currently on offer would be a great help: it would demonstrate that there was little between what was being demanded and what was already on offer. Mr. Nally added, however, that he thought it was now a question of "percentages". If there could be some slight movement - not a major step - that would help to resolve the problem. Sir Robert Armstrong replied that he would see what scope there was for a further move, but it would be idle to pretend that it was not difficult for us to envisage any further movement.


D.J. WRIGHT

26th June, 1981