

NORTHERN IRELAND: ADVANCE COPIES

(21)

ADVANCE COPY

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

N IRELAND OFFICE [4 copies]

PS/SIR I GILMOUR

PS/PUS

MR FERGUSSON

LORD N GORDON LENNOX

HD/RID

PUSD (2)

HD/IPD

HD/OID (2)

NEWS DEPT

MR K STOWE

MR MARSHALL

MR P W J BUXTON

CABINET OFFICE - SIR ~~FRANK~~

R ARMSTRONG

MR R WADE-GERY

DIO

NO 10 DOWNING STREET

CONFIDENTIAL

FM DUBLIN 221700Z NOVEMBER 79

TO PRIORITY FCO

TELEGRAM NUMBER 448 OF 22 NOVEMBER 79

INFO PRIORITY NIO BELFAST WASHINGTON

Rennie Amster

[Signature]

THE POSITION OF MR LYNCH

1. AS YOU WILL BE AWARE FROM OUR REPORTS, SPECULATION ABOUT MR LYNCH'S FUTURE AS LEADER OF THE FIANNA FAIL PARTY HAS BEEN A STAPLE DIET OF POLITICAL COMMENTATORS HERE FOR MORE THAN A YEAR. IT TENDS NATURALLY TO BECOME MORE PROMINENT WHENEVER THE GOVERNMENT ARE SEEN TO BE IN DIFFICULTIES OR TO HAVE SUFFERED A SETBACK AND THIS HAS BEEN PARTICULARLY SO IN RECENT WEEKS IN RELATION TO:

- (A) FIANNA FAIL'S LOSS OF TWO DAIL SEATS IN THE CORK BY-ELECTION
- (B) RUMBLINGS OF DISCONTENT AMONG FIANNA FAIL BACKBENCHERS OVER THE GOVERNMENT'S HANDLING OF THE NORTHERN ISSUE.

THE LATTER ASPECT WAS ACCENTUATED BY SILE DE VALERA'S SPEECH AT FERMOY IN SEPTEMBER AND MORE RECENTLY BY ALLEGATIONS THAT LYNCH HAD COMPROMISED IRISH SOVEREIGNTY IN HIS AGREEMENT WITH US ON BORDER SECURITY COOPERATION (THE SO-CALLED AIR CORRIDOR).

2. LYNCH'S CONTINUING AUTHORITY OVER FIANNA FAIL RESTS ON THE BELIEF THAT HE CAN LEAD THE PARTY TO VICTORY IN ELECTIONS; HIS ABILITY TO DO SO IS ESSENTIALLY BOUND UP WITH THE GOVERNMENT'S SUCCESS IN MANAGING THE ECONOMY. IT WOULD BE WRONG TO SUGGEST THAT THE GOVERNMENT ARE AT PRESENT IN ACUTE TROUBLE ON THIS SCORE. IT

THE GOVERNMENT ARE AT PRESENT IN ACUTE TROUBLE ON THIS SCORE. IT IS TRUE THAT THEY HAVE HAD TO SCALE DOWN ALL THE MAJOR TARGETS IN THEIR OVERALL ECONOMIC PLANNING BUT RECOGNITION THAT THIS HAS BEEN DUE TO FACTORS PARTLY OUTSIDE THEIR OWN CONTROL IS PROBABLY NOW GENERAL. IN ANY CASE THE SIGNS ARE NOT ALL BAD: UNEMPLOYMENT IS DOWN, IF NOT BY AS MUCH AS HAD EARLIER BEEN HOPED, AND INVESTMENT IS UP: THE MEDIUM-TERM PROSPECTS LOOK FAIRLY PROMISING. ON THE OTHER HAND, THERE ARE SOME PRESSING PROBLEMS ON THE INDUSTRIAL RELATIONS FRONT. POWER SUPPLIES AND COMMERCE ARE THREATENED BY POWER STATION AND DOCK STRIKES AND A BANK STRIKE HAS JUST STARTED.

3. LYNCH'S NORTHERN POLICY IS NOT CONTROVERSIAL FOR THE ELECTORATE AS A WHOLE. INDEED HIS LINE IS GENERALLY ACCEPTED BY FINE GAEL AND LABOUR ALSO, AS WELL AS BY MOST OF HIS OWN PARTY. THERE IS, HOWEVER, A HARLINE REPUBLICAN MINORITY IN FIANNA FAIL WHO ARE UNWILLING TO COMPROMISE ON THE IRISH UNITY ISSUE AND WHO ARGUE THAT CURRENT FIANNA FAIL NORTHERN POLICY NOT ONLY BETRAYS REPUBLICAN IDEALS BUT ALSO FAILS TO HOLD THE LOYALTY OF THE PARTY FAITHFUL, ESPECIALLY WHEN THEIR ALLEGIANCE IS TRIED BY ECONOMIC MISMANAGEMENT. IT IS THIS FACTION WHICH HAS BEEN RESTLESS SINCE LYNCH'S ALLEGED REVELATIONS ABOUT OVERFLIGHTS TO THE NATIONAL PRESS CLUB IN WASHINGTON. ALTHOUGH A FIANNA FAIL PARTY MEETING LAST WEEK REBUKED THE DEPUTY WHO HAD ACCUSED LYNCH OF LYING IN THIS CONNECTION (DUBLIN TELEGRAM NO 423), THE MURMURINGS CONTINUED AND IT LOOKED AS THOUGH THERE MIGHT BE A SHOWDOWN AT YESTERDAY'S PARLIAMENTARY PARTY MEETING. IN THE EVENT, THE MEETING PASSED OFF VIRTUALLY WITHOUT INCIDENT AND ALL DISCUSSION WAS POSTPONED UNTIL 5 DECEMBER, SIGNIFICANTLY THE FRIST WEDNESDAY AFTER THE EUROPEAN COUNCIL.

4. DR GARRET FITZGERALD TOLD ME LAST WEEK THAT LYNCH WAS IN "BIG TROUBLE" WITH THE DAIL, WITH HIS OWN PARTY AND WITH THE MEDIA BECAUSE HE WAS CRITICAL OF THEM FOR REPORTING AND COMMENTING ON WHAT HE HAD SAID IN THE STATES. HE ALSO BELIEVED THE SIGNS WERE THAT HAUGHEY WAS STARTING HIS BID FOR THE LEADERSHIP OF FIANNA FAIL, CITING ESPECIALLY THE FACT THAT HAUGHEY HAD NOT BEEN IN THE RECEPTION COMMITTEE OF MINISTERS AND OTHERS AT DUBLIN AIRPORT TO WELCOME LYNCH BACK FROM THE STATES ON 16 NOVEMBER. MUCH WAS MADE OF HIS ABSENCE BY THE MEDIA WHO DREW PARALLELS WITH THE RECEPTION COMMITTEE ORGANISED IN 1970 AFTER THE ARMS CRISIS WHEN MINISTERS AND OTHER PARTY MEMBERS ASSEMBLED (NEXT TWO WORDS UNDERLINED) EN MASSE AT THE AIRPORT TO WELCOME LYNCH BACK FROM THE STATES. THE FACT THAT MORE THAN ONE EXPLANATION WAS GIVEN FOR HAUGHEY'S NON-APPEARANCE ON 16 NOVEMBER SUGGESTS THAT

GIVEN FOR HAUGHEY'S NON-APPEARANCE ON 16 NOVEMBER SUGGESTS THAT HE HAD INTENDED IT AS SOME SORT OF POLITICAL GESTURE.

5. OTHERS TOO CLAIM TO DISCERN FROM HAUGHEY'S RECENT ACTIONS THAT HE IS MAKING A BID FOR THE LEADERSHIP. HE HAS MAINTAINED A HIGH PROFILE IN THE MEDIA FOR SOME MONTHS AND MADE SEVERAL PUBLICITY-CATCHING GESTURES, EVEN PROPOSING A FREE TOOTHBRUSH FOR EVERY IRISH CHILD AS WELL AS CAMPAIGNING STILL MORE VIGOROUSLY AGAINST TOBACCO ADVERTISING. (INCIDENTALLY IT CANNOT BE COINCIDENCE THAT MORE PICTURES OF HAUGHEY AND HIS WIFE HAVE APPEARED IN THE IRISH NEWSPAPERS IN THE MONTH SINCE THE HILLERY "SCANDAL" THAN IN ALL THE REST OF HIS PUBLIC CAREER PUT TOGETHER).

6. THE PROFESSIONAL HIBERNIOLOGISTS HAVE ALSO READ MUCH INTO THE ANNUAL PEARSE MEMORIAL SPEECH MADE BY HAUGHEY ON 10 NOVEMBER IN WHICH HE SUGGESTED THAT PEARSE, IF HE WERE ALIVE TODAY, WOULD BE TOTALLY OPPOSED TO PARTITION. CERTAINLY THE TAOISEACH, RIGHTLY OR WRONGLY, FELT THIS REQUIRED HIM TO ADD A SMALL SECTION TO A PREVIOUSLY PREPARED SPEECH TO THE EFFECT THAT IF PEARSE WAS ALIVE TODAY HE WOULD REJECT VIOLENCE AND WORK PEACEFULLY FOR NATIONAL UNITY.

7. IT IS HARD TO DRAW ANY DEFINITE CONCLUSION FROM ALL THIS, THOUGH IT DOES SEEM THAT PARTY DISCIPLINE HAS REASSERTED ITSELF WITHIN FIANNA FAIL, AT LEAST FOR THE TIME BEING, IN THE AWARENESS THAT IT WOULD DO THE IRISH NO GOOD FOR THE TAOISEACH TO GO INTO THE EUROPEAN COUNCIL WITH HIS AUTHORITY SEEN TO BE CONTESTED AT HOME. IN ANY CASE, I DOUBT WHETHER THERE IS AT PRESENT ENOUGH OPPOSITION WITHIN THE PARTY TO FORCE LYNCH OUT OF OFFICE, EVEN AFTER THE CORK BY-ELECTION RESULTS. HOWEVER, ONCE THE EUROPEAN COUNCIL IS OUT OF THE WAY, THE END OF THE YEAR, WHEN LYNCH HAS ALREADY PROMISED A GOVERNMENT RESHUFFLE, WILL BE CLOSE AT HAND. MOREOVER, THE TIME IS APPROACHING WHEN LYNCH WILL HAVE TO DECIDE WHETHER HE INTENDS TO LEAD FIANNA FAIL INTO THE NEXT GENERAL ELECTION. RECENT GESTURES BY HAUGHEY DO NOT YET, IN MY VIEW, AMOUNT TO A MAJOR CHALLENGE FOR THE LEADERSHIP, THOUGH THERE IS NO DOUBT THAT THIS IS WHAT HE AIMS AT EVENTUALLY. HIS CURRENT OBJECTIVE LOOKS MORE LIKE CHIPPING AWAY AT LYNCH'S AUTHORITY AND POSITION, SO AS TO MAKE THE BURDEN OF CONTINUING IN OFFICE LOOK UNATTRACTIVE TO LYNCH AND TO INDUCE HIM TO RESIGN VOLUNTARILY. I THINK HE MAY BE UNDERESTIMATING HIS MAN AND I AM NOT SURE WHETHER HAUGHEY HAS GOT HIS TIMING RIGHT; HE HAS BEEN WRONG ON THIS BEFORE.

RIGHT: HE HAS BEEN WRONG ON THIS BEFORE.

CCN LAST LINE OF PARA 3 SHOULD READ :

5 03

5 DECEMBER, SIGNIFICANTLY THE FIRST WEDNESDAY AFTER THE EUROPEAN COUNCIL.

HAYDON

NNNN

SENT AT 23/1444Z JAW