

Briefs in separate folder.

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Foreign and Commonwealth Office

London SW1A 2AH

18 March 1983

Dear John,

Meeting between the Prime Minister and Dr Garret Fitzgerald at
the European Council

/ I enclose short briefs for the Prime Minister's
meeting with Dr Garret FitzGerald in the margins of next
week's European Council, covering Anglo-Irish relations,
Northern Ireland, and the European Parliament and Northern
Ireland. The briefs were prepared in the FCO and NIO and
have, where appropriate, been seen in draft by the Cabinet
Office. A scene-setting telegram from Dublin and a personality
/ note on Dr FitzGerald are also enclosed together with a draft
/ press statement which, if you agree, you could put to
Dr FitzGerald's Private Secretary after the meeting. No
separate briefing on Community issues has been provided but
the Prime Minister will no doubt wish to raise the budget
with Dr FitzGerald.

As you know the meeting is expected to last about
45 minutes. It will be informal and we do not expect
Dr FitzGerald to have any specific issue to discuss. The
Prime Minister will not be expected to make any definite
response to the Irish Government's proposal for a forum for
discussions on a 'New Ireland'. Our main objectives remain
to encourage Dr FitzGerald in his moderate low key approach
and to persuade him to say as little as possible about
Northern Ireland in the coming months.

I am copying this letter and enclosures to Derek Hill
(NIO) and Richard Hatfield (Cabinet Office).

Yours ever
John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

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TO PRIORITY FCO

TELEGRAM NUMBER 88 OF 16 MARCH 1983

FCO PLEASE PASS SAVING TO NIO(BELFAST)

EUROPEAN COUNCIL: BILATERAL WITH THE IRISH PRIME MINISTER

1. DR FITZGERALD HAS TOLD ME THAT HE HOPES TO HAVE A GENERAL DISCUSSION WITH THE PRIME MINISTER AND TO PICK UP THE THREADS AFTER HIS ABSENCE FROM POWER FOR MOST OF LAST YEAR. BUT YOU MAY FIND A NOTE ON HIS CURRENT PREOCCUPATIONS USEFUL.
2. DOMESTICALLY THE OUT-LOOK IS CHEERLESS. HIS PERFORMANCE DURING THE FIRST 3 MONTHS OF HIS NEW ADMINISTRATION HAS NOT BEEN HAPPY. ALTHOUGH HIS PARLIAMENTARY POSITION IS REASONABLY SECURE, SEVERAL DEPUTIES AMONG HIS LABOUR ALLIES ARE THREATENING TO OPPOSE HIGHER SOCIAL WELFARE CONTRIBUTIONS. THE ECONOMIC SCENE IS PARTICULARLY DEPRESSING WITH UNEMPLOYMENT APPROACHING 200,000, TWELVE PERCENT INFLATION AND THE PAINFUL PROCESS OF REDUCING THE CURRENT ACCOUNT DEFICIT ONLY BEGINNING. THE IRISH POUND IS OVERVALUED AGAINST STERLING.
3. THE TAOISEACH IS ALSO EMBARRASSED BY HIS COMMITMENT TO A REFERENDUM ON WHETHER THE CONSTITUTION SHOULD BE AMENDED TO RULE OUT ABORTION (WHICH IS IN ANY CASE ILLEGAL). THE LIBERAL WING OF HIS OWN PARTY AND THE LABOUR PARTY ARE UNHAPPY WITH THIS PROPOSAL, WHICH THEY SEE AS SECTARIAN, WHILE MR HAUGHEY IS ACCUSING THE TAOISEACH OF BEING SOFT ON ABORTION.
4. ON NORTHERN IRELAND, THE IRISH GOVERNMENT'S IMMEDIATE CONCERN IS TO BOLSTER THE SDLP IN THE FACE OF SINN FEIN'S ELECTORAL ADVANCES LAST OCTOBER AND THE PROSPECT OF FURTHER GAINS IN A BRITISH GENERAL ELECTION. HENCE DR FITZGERALD'S CAUTIOUS ADOPTION OF JOHN HUME'S PROPOSED COUNCIL TO BECOME A "FORUM" FOR A NEW IRELAND. THE TAOISEACH MAY URGE HMG TO DO MORE TO HELP THE SDLP, BUT WHEN PRESSED FOR SPECIFIC SUGGESTIONS THE IRISH HAVE SO FAR HAD LITTLE TO SAY.

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5. ON ANGLO-IRISH RELATIONS GENERALLY, THE IRISH ARE WAITING FOR A BRITISH GENERAL ELECTION BEFORE TAKING ANY FURTHER INITIATIVES AND ARE NOT EXPECTING ANY NEW MOVES FROM US EITHER. ONCE AN ELECTION HAS TAKEN PLACE, THEY WILL HAVE A CLEARER IDEA OF CATHOLIC LOYALTIES IN NORTHERN IRELAND AND OF A NEW BRITISH GOVERNMENT WITH WHICH THEY WILL HAVE TO DEAL.

(REPEATED AS REQUESTED)

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NORTHERN IRELAND

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