

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

16 May 1980

*F.C.O.
Smt*

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

CONFIDENTIAL

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

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

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

CONFIDENTIAL

CONFIDENTIAL

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)

CONFIDENTIAL

CONFIDENTIAL

- (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

CONFIDENTIAL

CONFIDENTIAL

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

CONFIDENTIAL

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

CONFIDENTIAL

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.

CONFIDENTIAL

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.

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

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

/ structure

CONFIDENTIAL

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.

CONFIDENTIAL

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.

/3.....

CONFIDENTIAL

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

/in June.

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.

/7.....

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

/only

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.

~~~~ passages deleted and closed, 40 years, 10.....
under FOI Exemptions.

Wayland

CONFIDENTIAL 23 September 2010

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

/important

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

/many

CONFIDENTIAL

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

/far

CONFIDENTIAL

CONFIDENTIAL

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

CONFIDENTIAL

REPUBLIC OF IRELAND: VITAL STATISTICS

| | | |
|--|---|--|
| 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 |

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

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.

E.R.

3

(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.

CONFIDENTIAL

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.

/ 4.

CONFIDENTIAL

CONFIDENTIAL

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

CONFIDENTIAL

CONFIDENTIAL

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 Sunningdale. 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.

CONFIDENTIAL

CONFIDENTIAL

SAVING TELEGRAM

BY BAG

RESTRICTED

FM FCO 29145Z

TO WASHINGTON

TELNO 3 SAVING OF 29.2.80.

AND SAVING TO EUROPEAN COMMUNITY POSTS, UKREP BRUSSELS, BIS
BIS (NEW YORK), NIO (BELFAST).

[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

CONFIDENTIAL

CONFIDENTIAL

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.

CONFIDENTIAL

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

CONFIDENTIAL

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.



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>Brief No 3 for visit of Taoiseach,
21 May 1980 (last page only)</i> | |
| CLOSED FOR YEARS
UNDER FOI EXEMPTION | |
| RETAINED UNDER SECTION 3(4)
OF THE PUBLIC RECORDS ACT 1958 | <i>23 September 2010
Wayland</i> |
| TEMPORARILY RETAINED | |
| MISSING ON TRANSFER | |
| MISSING | |
| NUMBER NOT USED | |

Instructions for completion of Dummy Card

Use **Black Pen** to complete form

Use the card for one piece/item number only

Enter the Lettercode, Series and Piece/Item references clearly
e.g.

| |
|--|
| LETTERCODE/SERIES
..... <i>GRA 168</i> |
| PIECE/ITEM <i>49</i>
(ONE PIECE/ITEM NUMBER ONLY) |

Please Sign and Date in the box adjacent to the description that applies to the document being replaced by the Dummy Card

If the document is Closed under a FOI exemption, enter the number of years closed. See the TNA guidance *Preparation of records for transfer to The National Archives*, section 18.2

The box described as 'Missing' is for TNA use only (it will apply to a document that is not in its proper place after it has been transferred to TNA)

CONFIDENTIAL

E.R. THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

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.

CONFIDENTIAL

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.

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

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

CONFIDENTIAL

CONFIDENTIAL

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

CONFIDENTIAL

CONFIDENTIAL

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

CONFIDENTIAL

CONFIDENTIAL

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

CONFIDENTIAL

CONFIDENTIAL

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.

CONFIDENTIAL

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.

E.R.

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.

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

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.

CONFIDENTIAL

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.

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT
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.

CONFIDENTIAL

CONFIDENTIAL

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.

CONFIDENTIAL

CONFIDENTIAL

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.

CONFIDENTIAL

/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

CONFIDENTIAL

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.

CONFIDENTIAL

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

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

CONFIDENTIAL

CONFIDENTIAL

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.

CONFIDENTIAL

CONFIDENTIAL

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

CONFIDENTIAL

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.

CONFIDENTIAL

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.

CONFIDENTIAL

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

CONFIDENTIAL

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

| | | | £m | | | |
|-------------------------|------|------|------|------|------|-------------------|
| | 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

CONFIDENTIAL

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 |

CONFIDENTIAL

CONFIDENTIAL

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 |

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

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

CONFIDENTIAL

CONFIDENTIAL

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.

CONFIDENTIAL

CONFIDENTIAL

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

CONFIDENTIAL

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

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.

CONFIDENTIAL

CONFIDENTIAL

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

CONFIDENTIAL

CONFIDENTIAL

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;

CONFIDENTIAL

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