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FM DUBLIN
TO DESKBY 231630Z FCO
TELNO 262
OF 231530Z JUN 1989
INFO IMMEDIATE NIO(L), NIO(B), UKREP BRUSSELS, MADRID

MY TELNO 258: EUROPEAN COUNCIL:THE IRISH TAOISEACH

1. I HAD A SHORT DISCUSSION ABOUT MADRID WITH THE TAOISEACH IN THE COURSE OF THE LORD MAYOR OF LONDON'S CALL ON HIM THIS MORNING.MR HAUGHEY THANKED ME FOR THE NOTE HE HAD RECEIVED OF MY 'HELPFUL' CONVERSATION WITH DERMOT NALLY (TUR PARA 7).
2. MR HAUGHEY ENTHUSIASTICALLY AGREED THAT IT WAS EXCELLENT THAT HE AND THE PRIME MINISTER WERE TO HAVE A MEETING WITHOUT THE PRESSURE OF BILATERAL CRISIS.
3. HE THOUGHT THAT THEY MIGHT USEFULLY COMPARE NOTES ON THE MAIN COMMUNITY ISSUES AT MADRID.(PADRAIG O'HUIGINN,SECRETARY AT THE TAOISEACH'S DEPARTMENT,TOLD ME IN THE MARGINS THAT MR HAUGHEY DOES INDEED SHARE MANY OF THE PRIME MINISTER'S VIEWS ON THE SOCIAL CHARTER BUT WOULD BE POLITICALLY INHIBITED FROM SAYING SO AT MADRID).
4. MR HAUGHEY AGREED ALSO THAT THE OUTCOME OF RECENT ELECTIONS IN IRELAND NORTH AND SOUTH PROVIDED FOOD FOR THOUGHT:THE DERISORY VOTE FOR SINN FEIN AND THE RELATIVE SUCCESS OF THE SDLP AND THE OUP.
5. HE SAID SEPARATELY THAT HE WAS DETERMINED TO REMAIN TAOISEACH.HE ASKED ME TO SAY TO MRS THATCHER THAT HE WAS LOOKING FORWARD TO THEIR DISCUSSION.

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FM DUBLIN

TO DESKBY 231830Z FCO

TELNO 263

OF 231630Z JUNE 89

INFO IMMEDIATE NIO(B), NIO(L), UK REP BRUSSELS, MADRID

INFO PRIORITY OTHER EC POSTS, WASHINGTON, BIS NEW YORK, HOLY SEE

MY TELEGRAMS 249-251 AND 258: IRISH INTERNAL POLITICS

SUMMARY

1. MR. HAUGHEY IS NEGOTIATING WITH OPPOSITION PARTIES SEEKING SUPPORT FOR A MINORITY FIANNA FAIL ADMINISTRATION. AMBITIOUS FINE GAEL DEMANDS REJECTED. FURTHER TALKS WITH PROGRESSIVE DEMOCRATS EXPECTED. MUCH SHADOW BOXING. HAUGHEY WILL PROBABLY SCRAPE HOME, BUT IT IS NOT YET CLEAR HOW.

DETAIL

2. DURING THIS WEEK MR HAUGHEY HAS HELD MEETINGS WITH THE LEADER OF FINE GAEL (FG) (TWICE), THE PROGRESSIVE DEMOCRATS (PDS), LABOUR AND THE WORKERS PARTY (WP).

3. FINE GAEL HAVE OFFERED A FOUR-YEAR COALITION IN WHICH FG WOULD HAVE HALF THE CABINET PLACES AND MR DUKES AND MR HAUGHEY WOULD ALTERNATE AS TAOISEACH. THIS HAS BEEN REJECTED. IT HAS BEEN GENERALLY SEEN BY COMMENTATORS AS ONLY AN OPENING BID. MR HAUGHEY IS NOW REPORTED TO HAVE ASKED MR O'MALLEY (PD) FOR HIS TERMS FOR SUPPORTING FIANNA FAIL (FF). THE PARTIES OF THE LEFT HAVE TOLD MR HAUGHEY THEY WILL NOT VOTE FOR HIM AS TAOISEACH.

4. ON 21 JANUARY MR HAUGHEY ASKED FOR AND OBTAINED A RENEWED ENDORSEMENT OF HIS LEADERSHIP FROM THE FF PARLIAMENTARY PARTY. HE WAS UNANIMOUSLY NOMINATED AS THE PARTY'S CANDIDATE TO BE ELECTED TAOISEACH WHEN THE DAIL RESUMES ON 29 JUNE. MR DUKES FACES A CHALLENGE TO HIS LEADERSHIP NEXT WEEK FROM A DISGRUNTLED EX-FRONT BENCHER. IT IS NOT LIKELY TO CAUSE HIM DIFFICULTY.

COMMENT

5. MR HAUGHEY'S REQUEST FOR HIS PARTY'S ENDORSEMENT AT THIS STAGE HAS:

(A) ENDED DOUBTS ABOUT HIS WILL TO CONTINUE. HE TOLD THE LORD MAYOR OF

LONDON THIS MORNING THAT HE WAS DETERMINED TO REMAIN AS TAOISEACH.

(B) STRENGTHENED HIS HAND IN NEGOTIATIONS WITH OTHER PARTIES:AND

(C) PRE-EMPTED FOR THE MOMENT ANY TENDENCY WITHIN FF TO LOOK FOR ANOTHER LEADER.

HIS HAND IS ALSO STRENGTHENED BY THE ANXIETY ACROSS THE POLITICAL SPECTRUM TO AVOID ANOTHER ELECTION,AND BY THE GROWING PERCEPTION THAT AN FF/FG COALITION WOULD LEAVE THE LEFT AS THE ELECTORATE'S ONLY ALTERNATIVE.

6. THERE IS AN ELEMENT OF SHADOW-BOXING ABOUT ALL THIS.MR DUKES PRESENTED HIS PROPOSAL AS A STATESMANLIKE DEVELOPMENT OF GOVERNMENT BY CONSENSUS:HE DOES NOT WANT TO BE PAINTED AS A WRECKER.BUT HE CANNOT HAVE EXPECTED THAT THE TAOISEACH WOULD TAKE SERIOUSLY A PROPOSAL FOR A POWER SHARING ON AN EQUAL BASIS.FINE GAEL SOURCES STRESS THE IMPORTANCE OF COOPERATION BETWEEN FF AND FG IN THE NATIONAL INTEREST,BUT ACKNOWLEDGE IN PRIVATE THAT IT WAS AN OPENING BID.IT MAY EQUALLY HAVE BEEN INTENDED TO DRIVE MR HAUGHEY INTO A DEAL WITH THE PDS,SO THAT FG COULD REMAIN IN CONSTRUCTIVE OPPOSITION.THE TWO BIG PARTIES SHARE AN INTEREST IN AVOIDING A PARTNERSHIP BETWEEN THEM WHICH WOULD LEAVE THE LEFT WING AS THE ONLY EFFECTIVE OPPOSITION AND THUS ERODE THE FF/FG DOMINATION OF IRISH POLITICS.SOURCES IN THE LABOUR PARTY,THE WORKERS' PARTY AND THE LEFT-WING INDEPENDENT TONY GREGORY HAVE ALL CONFIRMED TO US THEIR WISH TO PROMOTE PRECISELY THIS RESULT.

7. THE FIRST REACTION OF MINISTERS AND OTHER GOVERNMENT TDS TO MR DUKES' PROPOSAL WAS THAT IT WOULD PRECIPITATE ANOTHER IMMEDIATE GENERAL ELECTION.THIS,TOO IS SHADOW-BOXING.IT BRINGS FURTHER PRESSURE ON THE PDS.NOBODY WANTS ANOTHER ELECTION -LEAST OF ALL MR O'MALLEY.

8. BOTH FG AND THE PDS WANT TO UNSEAT MR HAUGHEY AS LEADER OF FF.THEY ARE UNLIKELY TO SUCCEED THIS TIME ROUND.A FF/PD ARRANGEMENT OF SOME KIND NOW LOOKS PLAUSIBLE BUT CAN HARDLY BE STABLE.

CONCLUSION

9. A MESSY SITUATION.THE UNCERTAINTIES MAY OR MAY NOT BE RESOLVED BY 29 JUNE.MR HAUGHEY WILL PROBABLY SCRAPE HOME SOMEHOW.HOW HE WILL ACHIEVE THIS IS STILL NOT CLEAR.

10.FCO PLEASE PASS ON TO NUMBER 10