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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

26 June 1989

File SH

APC

cc Mr. Gen.

Subject cc Mr. Gen.

Dear Stephen,

PRIME MINISTER'S MEETING WITH THE TAOISEACH

The Prime Minister had a brief word with the Taoiseach in the margins of the European Council this evening in Madrid.

The Prime Minister enquired after Mr. Lenihan. Mr. Haughey said that he was much better and would be returning from the United States shortly.

The Prime Minister asked when the new Government would be formed in the Republic. Mr. Haughey said that the situation was coming right. He would form a minority Government on Thursday with support from one of the smaller parties. He had one word of advice for the Prime Minister: not to try to take on reform of the Health Service too close to an election. It had proved an absolute killer in the Republic. Doctors and hospitals had been refusing or postponing appointments on the grounds that there were inadequate funds to run the service properly and that had had a very bad effect on the Government's fortunes even though inflation was low and the economy was doing well.

The Prime Minister said that, on the whole, things were going better between the United Kingdom and the Republic. The review of the working of the Anglo-Irish Conference had been brought to a successful conclusion. She paid particular tribute to the Northern Ireland Secretary's role in this (Mr. Haughey agreed). She longed for the day when the Anglo-Irish agreement would be accepted by the Unionist majority in Northern Ireland. Security co-operation was also working better, although there was still a long way to go, particularly on pre-emptive intelligence. Extradition was patchy: the Irish DPP had had the papers on Ryan for something like six months. The Taoiseach commented that he believed Ryan would be brought to trial. He noted there had been a lot of progress in searching for arms. The fall in the Sinn Fein vote in the Republic and in Northern Ireland in the European elections had been a good sign.

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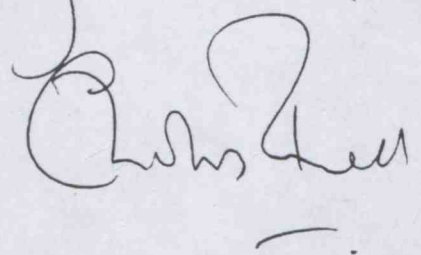
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- 2 -

The conversation up until this point having taken some five or six minutes, the Prime Minister and the Taoiseach concluded there was nothing more which needed to be discussed. Since they could not possibly reappear so quickly they would relax and just have a chat which they did perfectly happily for the next 24 minutes, with nothing of great consequence said.

At the end of the meeting the enclosed statement for the press was issued.

I am copying this letter to Stephen Leach (Northern Ireland Office) and Trevor Woolley (Cabinet Office).

Yours sincerely,


C. D. POWELL

Stephen Wall, Esq.,
Foreign and Commonwealth Office

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The Taoiseach, Mr. Charles Haughey, T.D., and the British Prime Minister, Mrs. Margaret Thatcher, M.P., had discussions this evening in Madrid where both are attending the European Council. Their meeting lasted about half an hour.

In the course of their talks they noted the successful completion of the 3-year Review of the workings of the Anglo-Irish Conference and exchanged views on current issues in Anglo-Irish relations. They also discussed the Madrid Council, the Economic Summit and a number of international issues including developments in the Soviet Union and China.

MADRID

26 June 1989