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10 DOWNING STREET

13 November, 1984

*From the Private Secretary*PRIME MINISTER'S MEETING WITH SENATOR HATCH, 13 NOVEMBER

The Prime Minister received Senator Hatch (Republican, Utah) this morning. Senator Hatch was accompanied by the US Ambassador.

Senator Hatch described his various Committee functions in the U.S. Senate and said that he wished to convey the appreciation of many Senate colleagues to the Prime Minister for all she had done to maintain strong defences for the UK and the lead which she had given in the Alliance. He knew that this had been difficult, particularly against the background of a rising dollar which must have had particularly serious consequences for the Trident programme. He thought that the Senate might be able to help on this last point.

The Prime Minister thanked Senator Hatch. She expected the US dollar to remain strong even if US interest rates were to come down. Sudden changes either in the exchange rate of the dollar or in US interest rates would cause difficulties of adjustment for European economies. She hoped therefore that changes would be gradual.

Senator Hatch said that his particular interest at the moment was with Ireland. Members of the US Congress tended to be bombarded by representations about Ireland. He had been very appreciative that Sir Oliver Wright had come to discuss Irish questions with him. He had just had a most interesting meeting with the Secretary of State for Northern Ireland. He would welcome the Prime Minister's views.

The Prime Minister said that certain basic facts about Northern Ireland had to be understood in the United States. Northern Ireland was part of the United Kingdom and remained so because that was what the majority wanted. If Britain were to withdraw from Northern Ireland it would mean civil war. The IRA was not just a harmless organisation believing in Irish unity: it was a group of terrorists who were also Marxists. Their aim was a socialist republic of Ireland. The effect of that aim, if ever realised, upon NATO would be

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very serious indeed. The situation would be analagous to that faced by the United States if there were Marxist governments in the Caribbean or Central America.

The Prime Minister continued that the most worrying aspect of the present situation was that Sinn Fein were gaining ground at the expense of the SDLP. We had to find ways to help law-abiding catholics to return to a full part in political life. But there were constant difficulties in this. Anything which we did to re-assure one side only upset the other. Further, we had constantly to contend with the element of fear. This had made it impossible, for example, to increase the proportion of Catholics serving in the RUC. The main task for the immediate future was to try to help the SDLP return to a full part in the political life of Northern Ireland. Dr. FitzGerald, for whom she had the highest regard, shared this aim. But even then the problem would not be solved. Sinn Fein would never give up until they got their total demands. The fact of the matter was that terrorists, with their access to modern weapons, could always exploit the open nature of our society.

Senator Hatch said that he understood that the Irish Government would like to see fuller consultation on Northern Ireland matters between the British and Irish Governments. The Prime Minister agreed that this was so but account had to be taken of the Unionist reaction. They would not wish to see this unless there was a very substantial quid pro quo.

Senator Hatch thanked the Prime Minister warmly for explaining matters to him. Her account of the problem had been the most articulate and most convincing which he had heard. He would treat what she had said in confidence.

(C.D. Powell)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

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Richard Hatfield
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to US Ambassador

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From the Private Secretary

14 November 1984

PRIME MINISTER'S MEETING WITH SENATOR HATCH

I enclose a note on the Prime Minister's meeting with Senator Hatch. I should be grateful if it could be treated as strictly confidential. We should prefer it not to be passed on to the Senator or his office.

CHARLES POWELL

His Excellency The Honourable Charles Price, II.