

RESTRICTED**FROM:** E C Hallett**cc:** PS/Secretary of State (L&B)**DATE:** 23 July 1998

PS/Paul Murphy (L&B)

TO: Mr Fergusson, RID

PS/Adam Ingram (L&B)

PS/PUS (L&B)

PS/John Semple (L&B)

Mr Jeffrey

Mr Steele

Mr McCusker

Mr Watkins

Mr Stephens

Mr Leach

Mr Bell

Mr Hill

Mr Kelly

Mr Beeton

Mr Marsh

Mr Maccabe

Mr Brooker

Mr Richards, FCO

PUSD(DSW), FCO

Mr Holmes, No. 10

Mr Pakenham, Cabinet Office

Mr Sanderson, Cabinet Office


IRISH POLITICS : STATE OF THE PARTIES

1. As the current political term draws to a close, you may find it helpful to have the following brief review of the state of the parties. (Attitudes on Northern Ireland issues are covered in our telno 249).

Fianna Fail

2. Ahern and Fianna Fail are in confident mood. Their opinion poll ratings remain high, largely due to the Belfast Agreement and the booming economy. Although there are weaknesses in the performance of some Ministers, this has not so far dented support for the Government as a whole. Ahern is therefore unlikely to launch a major reshuffle in the immediate future. He is not a risk-taker and has no wish to create enemies unnecessarily. The revelations about payments to politicians emerging from the McCracken, Moriarty and Flood Tribunals have not yet had any serious impact on the Government's popularity. Ahern himself has survived them relatively unscathed so far. Questions are increasingly being asked, however, about how much he knew about the payments to Ray Burke and about the apparently cursory nature of his investigation into Burke's finances before appointing him Foreign Minister. As with Nixon over Watergate, the crucial question may turn out to be "What did Ahern know, and when did he know it?". The answer may well determine the future of the present coalition.

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Progressive Democrats

3. In contrast to Fianna Fail's buoyancy, their coalition partners are in some disarray. Their Ministers, particularly Mary Harney and Liz O'Donnell, are performing effectively and the PDs claim to be having a major impact on Government policies. But none of this has yet translated into improved opinion poll ratings, which appears to confirm the trend apparent in Irish politics in recent times that when a coalition Government is performing well, it is the larger partner which gets the credit. The PD's poll rating has not improved from its general election level, and the party is in no position to face another election in the near future - the Party organisation is in disarray and there are clear divisions among the membership about the Party's future direction. Many commentators doubt that the PDs will survive the next election as an independent Party and this fear has prompted calls for a debate on merger with Fianna Fail. Mary Harney has, however, ruled this out, most recently in an Irish Times article on 23 July, and is determined to preserve the PDs as a separate party. She knows that only a successful spell in Government is likely to make this possible and will therefore do everything she can to sustain the present coalition. Her good working relationship with Bertie Ahern (which contrasts with previous Fianna Fail-led coalitions), has survived his being economical with information about payments to Ray Burke, but she will be watchful for any further revelations and her self-appointed role as guardian of political morality may force her to make a stand, at some stage, which could threaten the stability of the Government.

Fine Gael

4. Fine Gael have still not recovered from the last election, and have yet to reconstitute themselves into an effective opposition. They are frequently outclassed by Labour or the Democratic Left in making life difficult for the Government. Fianna Fail have got most of the domestic political credit for the Belfast Agreement and, as a result, opinion poll ratings are giving Fine Gael no grounds for optimism about the prospects of a return to office in the immediate future. There is thus no enthusiasm for an early election. The Party's fortunes have not been helped by a lacklustre performance by John Bruton. Despite grumblings about this within the Party, however, his position as leader is considered safe at least until the next election. His fate thereafter depends on Fine Gael getting back into Government.

Labour

5. Quinn has adopted a relatively low profile since becoming Labour Party leader last November. The two by-election victories in Limerick East and Dublin North in March boosted morale, but the Party has a long way to go to recover the support lost between the 1992 and 1997 elections. Revelations about Quinn's fund-raising activities have caused the Party some embarrassment. Quinn's accession to the leadership is widely seen as likely to lead to renewed coalition with Fianna Fail at some stage. Quinn is certainly favourably disposed to such an arrangement, but has made clear that it will not happen in advance of the next election.

Democratic Left

6. Prospects look bleak for the other participant in the former rainbow coalition - the Democratic Left. Their popular support remains low and there is much talk of a merger with Labour. As the Ambassador reported on 13 July, Eamon Gilmore said that intensive discussions

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were taking place between Labour and DL with a view to the emergence of an effective left of centre grouping in Irish politics. Pat Rabbitte, probably the most effective of the Party's TDs has also told us that a merger with Labour is inevitable sooner or later and that only "personalities" (ie Prionsias de Rossa) are delaying it.

Conclusions

7. The Government's present favourable position could be undermined by developments in the Moriarty and Flood Tribunals which, assuming the Supreme Court rejects Haughey's challenge to their constitutionality (decision due on 28 July), will begin public hearings in the Autumn. Any further revelations which emerge then could undermine Fianna Fail's current popularity and their relations with the PDs.

8. The Government is not in any immediate danger, however, despite its minority position. Potential problems lie ahead in the autumn, but our prediction would be that the Government will survive these and could well continue in office for at least another year or so and quite possibly longer. Accidents can never be ruled out in Irish politics, however. We will report further after the summer break.

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