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### IRELAND



<b>Reference Code:</b>	2009/135/703
<b>Creation Date(s):</b>	10 May 1979
<b>Extent and medium:</b>	3 pages
<b>Creator(s):</b>	Department of the Taoiseach
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MEETING BETWEEN THE TAOISEACH AND BRITISH PRIME MINISTER,  
MRS. THATCHER, LONDON, 10 MAY, 1979

The Taoiseach met Mrs. Thatcher at 3.30 p.m. Also in attendance were Messrs. Nally and Cartledge. The Taoiseach congratulated Mrs. Thatcher on her election and on the excellence of her performance during the campaign. He said that he appreciated the difficulties under which she was working now, in forming a Government and becoming familiar with the working of the various Departments. He said, in Ireland, things were a little different in that the outgoing Prime Minister might remain in office for as much as a fortnight after an election. Again, in Ireland, the number of appointments to be made to ministerial office was considerably less than in the U.K. He said that Mrs. Thatcher might have found all this of considerable difficulty. The Prime Minister, at this point stressed that she was the senior Party leader in the United Kingdom having held that Office for longer than any of the present incumbents. The Taoiseach said that Mr. Paisley might be a possible exception to this. He now had three members in his Party.

The Prime Minister said that she was particularly happy that they had a decisive majority in Parliament now. The Taoiseach said that they had been hoping for a Government in the UK with a strong majority. The Prime Minister said that she was appreciative of the kind message which the Taoiseach had sent on the death of Airey Neave. She had appointed Mr. Atkins to the Northern Ireland post because "he knows everyone". He can talk to Mr. Fitt and Mr. Molyneux and everyone else in the Commons. The Taoiseach said that certainly in the impressions we had got of him in Dublin were favourable. He mentioned the letter which the Minister for Foreign Affairs had shown him on the previous evening.

The Taoiseach then went on to say that it would be unfair to expect any substantive discussion at today's meeting. The Prime Minister must have a reasonable opportunity of setting into the job and must have time to get to grips with the various issues. The Prime Minister enquired as to how Ireland was doing economically. Certainly the impressions being created in England were extremely favourable.

The Taoiseach said that we were running through a bad patch at present mainly in relation to:-

- (1) Industrial Relations, in particular trouble in the Post Office, Transport and the Public Service; and
- (2) Petrol Shortages.

Strikes might now be prolonged because of welfare payments. The Post Office strike was turning particularly nasty on account of intimidatory picketing. The Taoiseach explained some of the trouble at the background of the strike.

The Prime Minister enquired as to the future of Irish agriculture. The Taoiseach said that agriculture had experienced a tremendous growth in prosperity in the 1970's when output had grown by more than 300%. Before then, the Anglo-Irish agreements had



begun to turn sour. We were, in fact, paying subsidies on exports of agricultural products for sale on the British market. The Irish housewife was finding it very hard to understand why she had to pay five shillings a pound for butter in Ireland when her counterpart in the U.K. was getting the same product for three shillings a pound. We had used the Anglo-Irish free trade area agreement to dismantle industrial tariffs. Over a ten year period they were to decline by 10% a year as between the two islands. The result was that when we came to join the European Community our industry was comparatively well prepared.

*some appreciation*

The Prime Minister then enquired as to our experiences with the European Monetary System. The Taoiseach said that his experience was that the preparations for the system had not been well arranged. The idea had been enunciated, in some detail, for the first time, in the Copenhagen Council in April, 1978. The German Chancellor seemed to be pushing the idea then. It had then been taken over by the French President but had run foul of misunderstandings between the two countries. The Prime Minister said that she certainly got the impression that things had not been going right. The Taoiseach said we had originally anticipated in the Irish pound against sterling but that in the event the opposite had happened. The Prime Minister said that this was because of the importance of North Sea oil and of high interest rates in the United Kingdom which were due, in turn, to the very high public sector borrowing requirement. The Taoiseach said that the Irish pound was holding out extraordinarily well against the other EMS currencies being about the third hardest currency in this system. He went on to welcome Lord Carrington's statement about a more positive attitude on the part of the British Government to the European Community. He had made no secret of his belief that the previous Government was dragging its feet on Europe. Lord Carrington's approach was all the more welcome on this account. The Prime Minister enquired as to whether the previous Government had been dragging their feet on every issue. The Taoiseach said that they had been backward in relation to the European Monetary System; Mr. Silkin was particularly obstructive in relation to agriculture; on energy, Mr. Benn had been by no means forthcoming; and fisheries was a further issue where British interests seemed to call for an obstruction of community procedures. The Prime Minister said that she certainly had the impression that there were certain ways in which the British could have helped on fisheries. This was a common resource, not a common market. The Taoiseach said that fisheries was not a very important industry in an Irish context but that its potential was very great and we were working on this. *One of* Our major interests in the community was in relation to the CAP which we were anxious to maintain in its essentials.

The Prime Minister said that British farmers had got a raw deal under the previous administration. Her impression was that once pricing was right and the Green Pound difficulties were out of the way things would be alright. The problem was in these areas and not in the structure of the CAP.

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The Taoiseach then went on to emphasise the necessity for power-sharing, partnership, or whatever it was called, in any settlement or proposals for Northern Ireland. He said that in relation to local government, our experience was that the local authorities where there was a Unionist majority were discriminating against the minority in blatant ways. He could give many examples but did not wish to take up the meeting with this issue. It was important for any stable settlement that this sort of abuse should be prevented.



On security, the Taoiseach said that co-operation seemed to of a high standard. The Irish Government had taken what some people described as repressive measures against terrorism. They had enacted special legislation of great severity; they had it set up Special Courts; they instituted a system under which the evidence of a police officer as to membership of the IRA must be accepted etc. For these reasons, it could not take at all kindly to the suggestions by Mr. Molyneux that Ireland was "a haven for terrorists".

Another point he wished to emphasise in relation to security was the necessity for care in any public statements on the issue. On this, he had the impression that very often Roy Mason provoked violence by claiming to have beaten the IRA. This sort of statement was totally counter-productive.

There was then some further discussion as to common experience in relation to law practices. The Prime Minister explained the career she had followed which she said had been designed to give her speciality in advocacy, drafting and company law.

The Taoiseach then said that he would be describing the meeting to the Press, as he had done in the past, as a courtesy visit. He would say that the issues covered had been Northern Ireland, European Economic Community, EMS and Economic Co-operation.

The Prime Minister asked Mr. Cartledge to ensure that she was briefed on this. The Taoiseach said that what he had in mind was the excellence of the co-operation between North and South on cross-border economic co-operation.

The Prime Minister indicated that though she had not yet decided, it was unlikely that she would be attending the ceremonies for the signature of the Greek Accession Treaty. In reply to a question by the Taoiseach as to the timing of a possible substantive meeting, she said that she would like to give Mr. Atkins time to read himself into the job and, similarly, to allow herself time to absorb and analyse the full background to the situation. She confirmed that the Taoiseach was the first Prime Minister she had met since coming into office.

The meeting was warm and cordial. It completed at 4 p.m.

10/5/79