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MOST CONFIDENTIAL RECORD

TO

CC(84) 1st Conclusions

Thursday 12 January 1984

HANDLING OF
DOCUMENTS

At the conclusion of Cabinet on 12 January 1984 the Prime Minister reminded her colleagues that, where officials from the Conservative Central Office were associated with departmental discussions of policy, Ministers should be scrupulously careful to ensure that they were not given access to classified material. This could require careful handling in relation not only to documents but also to detailed oral discussions.

THE MINISTER OF STATE, DEPARTMENT OF EMPLOYMENT, MR GUMMER, said that in one recent case an official of the Conservative Central Office who had been involved in departmental discussions of policy had resigned his appointment at Central Office to take up an outside appointment in which his foreknowledge of Government intentions could be of privileged value to him. He had acted very properly in agreeing that there should be an interval between his giving up his appointment with the Conservative Central Office and taking up his new appointment. Arrangements were being made to change the contracts of employment for people employed in the Conservative Central Office to make it easier to ensure that in such circumstances a reasonable interval elapsed between two appointments.

The Cabinet -

Took note.

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One Copy Only

MOST CONFIDENTIAL RECORD
TO
CC(84) 5th Conclusions
Thursday 9 February 1984

One Additional Copy
made on 16/2/84
to S/S Employment.

TRADE UNION
POLITICAL
LEVY

THE SECRETARY OF STATE FOR EMPLOYMENT reminded colleagues that the Conservative Party 1983 General Election Manifesto had drawn attention to concern about the way in which the right of individual trade union members not to pay the political levy operated in practice. It had set out the Government's intention to invite the Trades Union Congress (TUC) to discuss the steps which trade unions themselves could take to ensure that individual members were freely and effectively able to decide whether or not to pay the political levy; and indicated that, if trade unions were not willing to take such steps, the Government would be prepared to introduce measures to guarantee freedom of choice. The Trade Union Bill currently before Parliament required trade unions to hold ballots before establishing political funds and subsequently membership every 10 years if they wished to continue operating them. Pending the outcome of discussions with the TUC, however, it made no provision for contracting-out to be replaced by contracting-in. He had been discussing this matter with the General Secretary of the TUC and the Chairman of the TUC's Employment Policy Committee (EPOC). The General Secretary was clearly anxious to improve the trade unions' general working relations with the Government and had been making considerable efforts to ensure a satisfactory voluntary undertaking on the political levy. As a result a draft agreement had been prepared which the General Secretary wished to put to EPOC for its approval on 15 February. If it were approved, he would then formally consult the Secretary of State for Employment about its contents, so that the Government's immediate reaction could be made known when the document was put before the TUC General Council the following week. He felt that the terms of the draft agreement were the best which the Government might have been expected to secure under a voluntary agreement. It required the unions to review existing procedures to ensure that adequate information and guidance was given to members about their right to contract out and that effective action was taken to remove any obstacles to contracting out. If the General Council approved it, all trade unions would be expected to comply with its terms. He considered that the agreement could be accepted by the Government as a basis for agreeing not to legislate on contracting-in. In view of the delicate timing considerations, it would be helpful to have colleagues' agreement now, so that he could indicate the Government's position if the General Secretary was able to secure the approval of EPOC on 15 February.

THE PRIME MINISTER, summing up a short discussion, said that the Cabinet agreed that a voluntary agreement would be preferable to legislation, provided that its terms were satisfactory and that it was honoured by the trade unions. They were content to accept the Secretary of State for Employment's judgment that an agreement on the lines indicated was acceptable. It was clear, however, that it was not sufficient to obtain only the formal endorsement of the TUC General Council for it. If, for example, the leaders of two or three major trade unions indicated that

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they would not comply with the agreement in practice, or remained silent initially but did not actually comply later on, the agreement would be of little value. It would therefore be unwise for the Government finally to abandon at this stage the option of legislating, even though legislation on this subject, which would affect the funding of the Labour Party, would create great unease and should not be entered into lightly. The attitude of the TUC so far justified proceeding as the Secretary of State for Employment proposed, provided that it was made clear that the Government expected its own pledge of good faith to be met with equal good faith by the trade unions, and that the Government would continue to reserve the right to legislate if the voluntary agreement broke down in practice.

The Cabinet -

1. Took note, with approval, of the Prime Minister's summing up of their discussion.
2. Invited the Secretary of State for Employment to be guided accordingly in his further discussions with the Trades Union Congress.

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MOST CONFIDENTIAL RECORD
TO
CC(84) 5th Conclusions
Thursday 9 February 1984

ECONOMIC
STRATEGY

The Cabinet considered a memorandum by the Chancellor of the Exchequer (C(84) 5) on economic strategy.

THE CHANCELLOR OF THE EXCHEQUER said that the 1984 Budget would set the tone for the remainder of the present Parliament. The background was one of falling inflation and rising output. In both respects, performance in 1983 had been better than forecast. The prospects for the year ahead were encouraging. Output was expected to rise by 3 per cent, and inflation, after rising to about 5½ per cent in the early summer, to fall to about 4½ per cent by the end of 1984. Although the recovery had initially been based on higher consumption, it was now broadening to include exports and investment, both of which were expected to increase twice as fast as consumers' spending in 1984. There were, however, risks from external factors. First, the size of the United States budget deficit continued to exert upward pressure on interest rates. Secondly, a sharp fall in oil prices would be unhelpful to our balance of payments and tax revenues in the coming year. Domestically, the main risk lay in excessive wage settlements.

The Public Sector Borrowing Requirement (PSBR) in 1983-84 was still expected to show an overshoot of some £1.8 billion compared to the 1983 Budget forecast of £8.2 billion. It would be important for market confidence and the credibility of the Government's economic policy that the overshoot should not be carried forward. As a minimum, the Government must be seen to be returning to the path set in the 1983 Medium Term Financial Strategy (MTFS), which envisaged a PSBR of £8 billion for 1984-85. There were indeed arguments for aiming at a lower figure. 1984-85 was the peak year for North Sea oil revenue, and could therefore be expected to feature a low PSBR. Asset sales, which had smaller effects on interest rates than a reduction in public expenditure, would play an unusually large part in reducing the PSBR. It would certainly be wrong to provide for a PSBR higher than £8 billion, and probably right to aim for a slightly lower figure. Fortunately, the fiscal prospects for 1984-85 had improved since his Autumn Statement; and the risk of tax increases being required in March was slight. He therefore expected the 1984 Budget to be broadly neutral; he would welcome the views of his colleagues on the appropriate balance between different taxes in that context. Looking further ahead, there was a prospect of worthwhile tax reductions in 1985-86 if the Government adhered to its published expenditure plans.

The continuing success of the Government's economic policies had confounded its critics and should have a good effect on expectations. Expectations would also be conditioned by the MTFS. The present MTFS expired in 1985-86. Figures should now be published, extending to 1988-89 and so covering the remainder of the present Parliament. The Government's ultimate objective should be price stability. This required monetary growth to be brought down, preferably without recourse to higher interest

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rates. It was therefore necessary to aim for lower Government borrowing. The Government had already decided on expenditure plans for 1986-87. The same real level of public expenditure should be used as the basis of the MTFS for 1987-88 and 1988-89. It would be made clear that this was only an assumption and did not pre-empt policy decisions, which would be taken in the usual way in future Public Expenditure Surveys.

In discussion the following main points were made -

a. There was general agreement that there was no case for a relaxation in fiscal and monetary strategy. Some members of the Cabinet argued that the Government's fiscal stance had in practice been more relaxed in the last two years than its rhetoric suggested, and so had contributed to the speed of economic recovery; and that it was unnecessary to treat the level of the PSBR, so long as it remained below the psychologically significant level of £10 billion, as crucial. Others, however, disputed this interpretation of events, pointing out that it could now be seen to have begun to increase as early as 1981. This underlined the need to continue to pursue the prudent policies which had secured the Government considerable credit at home and abroad. The Government's policies were succeeding, but were inevitably at risk from external events. Both factors counselled stability and caution in fiscal and monetary policy, on the lines suggested in C(84) 5.

b. Some members of the Cabinet considered that such resources as could be made available for reductions in taxation in 1984 should be devoted primarily to reducing burdens on industry, such as the National Insurance Surcharge. Although company profitability had improved dramatically, it was still extremely low and needed greatly to be increased. The United Kingdom depended on industrial and commercial enterprises for its economic future. Many of them were still in a parlous financial condition. Most members of the Cabinet, however, took the view that priority should be given to increases in the income tax thresholds, which were still too close to social security benefit levels. Poor wage-earners paid too much income tax. They should be helped, for both social and economic reasons. Moreover, increases in the income tax thresholds might have a useful effect in moderating pay settlements.

c. While it was in general undesirable to introduce more complexities into the tax system and indeed preferable to reduce them, there was a case for continuing to give encouragement to the development of small businesses and to the participation of employees in the future success of their companies, for example through share option schemes.

d. There was general agreement that the MTFS should be rolled forward as proposed in C(84) 5. It also seemed inevitable that this should be done on the basis of an assumption that public expenditure in real terms would be held at the same level in 1987-88 and 1988-89 as in 1986-87: it might be possible to give a range of assumptions, but this would reduce the effect on expectations, which it was one of the main aims of the MTFS to secure. Nevertheless, it would be important to make it clear in public that the assumption regarding public expenditure was only an assumption and did not pre-empt policy decisions.

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e. Careful consideration should be given in the MTFS to forecasts of the "fiscal adjustment". Experience suggested that such forecasts tended to exaggerate the room for tax reductions and so built up expectations that could not in the event be fulfilled.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet overwhelmingly supported the Chancellor of the Exchequer's judgment, as set out in C(84) 5: in particular, they endorsed his judgment of the appropriate PSBR in 1984-85. He would no doubt take account of the views that had been put forward in discussion in reaching final decisions on the overall balance of his Budget and in considering particular tax changes. The Cabinet agreed that the MTFS should be extended to 1988-89. It should be based on the assumption that the real level of public expenditure would be the same in 1987-88 and 1988-89 as in 1986-87; but, as the Chancellor of the Exchequer had made clear, this was not intended to pre-empt the decisions that Ministers would take in due course on public expenditure plans in the annual Public Expenditure Surveys. Enquirers from the media about the Cabinet's discussion would be told that the Cabinet had considered the economic situation and the approach to the Budget, noting the firm prospect of continuing steady growth and low inflation and the importance of keeping effective control of Government borrowing.

The Cabinet -

1. Took note, with approval, of the Prime Minister's summing up of their discussion.
2. Invited the Chancellor of the Exchequer to take account of their discussion in preparing his forthcoming Budget.

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MOST CONFIDENTIAL RECORD
TO
CC(84) 6th Conclusions
Thursday 16 February 1984

NORTHERN
IRELAND

THE SECRETARY OF STATE FOR NORTHERN IRELAND, at the Prime Minister's request, reported on the discussions which she had had with the Foreign and Commonwealth Secretary and himself about Northern Ireland. The conclusion of these discussions was that consideration should be given to the possibility of a new approach to the Irish question. Not least among the reasons for this were the growing political strength of Provisional Sinn Fein and the continuing lack of confidence on the part of the minority community in the forces of law and order in the Province. A further factor was the impending report of the "Forum for a New Ireland" which was now expected to be made public early in March. Although the contents of the report were not known, it was clear that it would contain proposals about Northern Ireland to which the Government would have to respond. What that response should be had to be considered both from the point of view of the security situation in the Province and also from the international perspective, including the United Kingdom's relations with the United States. The discussions with the Prime Minister had accordingly concentrated on possible ways of improving security in co-operation with the Irish Republic, and of going some way to meeting the concerns of the minority community in the North. Measures considered included the possibility of joint policing in a defined area along both sides of the Irish border, and harmonisation of law enforcement procedures as between Northern Ireland and the Republic. It was, however clear that measures of this kind could be contemplated only if there was a firm indication from Dublin that the Republic would be prepared in return formally to recognise the continuing existence of the union (at least for the foreseeable future) and to waive the territorial claim on the North embodied in Articles 2 and 3 of the Irish Constitution. Although there was no hard information about the Irish Government's attitude, there were indications to suggest that, whatever solutions the Forum might advocate, the Taoiseach (Dr Fitzgerald) himself wanted priority given to improving the security situation in the North by strengthening the confidence of the minority in the forces of law and order there; and that he would like to explore with the British Government ways of reassuring unionist opinion about Northern Ireland's place in the United Kingdom in return for arrangements which would associate the Republic in some visible way with law enforcement in the Province.

Without clearer information about the thinking of the Dublin Government it was impossible to judge whether there was any realistic prospect of making progress along these lines or to try to work out the details of a possible package. Subject to the views of the Cabinet, therefore, the Prime Minister proposed to ask the Secretary of the Cabinet to make an informal, confidential and strictly exploratory approach to the Secretary of the Irish Government, Mr Dermot Nally. The object of this approach would be simply to sound out the Irish position without any commitment on either side and to signal to the Taoiseach in advance of the

Forum's report that the British Government was thinking constructively about the problem. The fact that this approach was being made, which could constitute a major development in the Government's position on the Irish question, would clearly be of the greatest sensitivity. It was thought that the Taoiseach and Mr Nally would do their best to keep it secret, at least as long as the discussions were purely exploratory in character. But it would be made clear to the Irish from the outset that everything was dependent on their being willing and able to deliver an acceptably binding commitment to waive their territorial claim and acknowledge the continuing existence of the union, at least for the foreseeable future. So long as it could truthfully be said that any exploratory discussions were being conducted on this premise, and with the aim of improving the security situation, the fact of such discussions taking place - if it did become known - would be publicly defensible. If the Cabinet agreed to proceed as proposed it would be necessary to consider the matter again in the light of the Irish Government's response; and the Cabinet would be fully consulted before any firm or detailed proposals were put to the Irish Government.

In discussion it was pointed out that the abandonment by the Irish Republic of its territorial claim to the North would involve amending the territorial provisions of the Irish Constitution and that this would require a referendum in the Republic. It was unlikely that any Irish Government would be ready to hold such a referendum, the result of which appeared almost certainly to be negative. It might be possible to devise a means whereby the Irish Republic could waive its territorial claim without formal amendment of the Constitution, but a declaration by the present Irish Government to this effect, unaccompanied by constitutional amendment, would carry no conviction with unionist opinion and would be liable to be revoked by a future Fianna Fail Government. For the British Government to enter into negotiations with the Irish on the basis of a pledge by the Irish Government about the union which it was subsequently unable to deliver could be highly damaging. It was, however, impossible to judge what might or might not be negotiable without first exploring the attitude of the Irish Government. Although experience suggested that any British initiative on Northern Ireland was likely to raise unjustified expectations and fears in the Province and thereby make matters worse, the present situation there was so bad that it would be wrong not to explore the possibilities for change. The consequences of doing nothing could be as damaging in terms of continued loss of life as the consequences of seeking a new approach. Contacts with the Irish Government on the question were intrinsically desirable. The growing political strength of Provisional Sinn Fein and the impending report of the "Forum for a New Ireland" would have implications for the United Kingdom's foreign relations, notably with the United States, and the approach outlined by the Secretary of State for Northern Ireland appeared to represent the least unpromising way forward. Any new approach to the problem by the British Government would arouse fierce unionist hostility, but it would be wrong to be deterred from undertaking a preliminary, low-key exploration of the possibilities with the Irish.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet was in agreement that the Secretary of the Cabinet should make an informal, secret and strictly exploratory approach to the Secretary of the Irish Government on the lines outlined by the Secretary of State for Northern Ireland.

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The Cabinet -

Instructed the Secretary of the Cabinet to proceed on the lines proposed, and to report.

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TO

CC(84) 9th Conclusions

Thursday 8 March 1984

NORTHERN
IRELAND

THE PRIME MINISTER said that the Secretary of the Cabinet had now had an informal, secret and exploratory discussion with the Secretary of the Irish Government in the terms authorised by the Cabinet on 16 February. It had been apparent that the Taoiseach, Dr Fitzgerald, was heavily preoccupied with bringing the "Forum for a New Ireland" to a successful conclusion; and that, partly in consequence of that preoccupation, the Irish side had been taken somewhat by surprise by the British approach. They welcomed a number of elements in it, but had serious difficulty with the idea of a border strip which would incorporate territory on the Republic's side of the border. It appeared that although the Taoiseach stood by the "basic equation" which the Irish side had adumbrated earlier - namely, that he was looking for arrangements which would associate the Republic with law enforcement in Northern Ireland in return for recognition by the Republic that Northern Ireland would remain part of the United Kingdom for the foreseeable future - he still had no clear ideas of his own on how to give it practical effect. It seemed to be the Irish wish to keep the British side in play while they did their own homework; and it would probably be necessary to await publication of the Forum's report before it would be possible to get a clearer picture of the Irish Government's thinking.

The Cabinet -

Took note.

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MOST CONFIDENTIAL RECORD
TO
CC(84) 24th Conclusions

Thursday 28 June 1984

PARLIAMENTARY
AFFAIRS

Northern
Ireland

THE PRIME MINISTER said that the Cabinet would recall authorising the Secretary of the Cabinet to explore, in informal and secret discussions with the Secretary of the Irish Government, Mr Dermot Nally, the possibility of identifying a basis for agreement under which the Republic would reassure opinion in Northern Ireland by taking formal action which would have the effect of waiving or suspending the territorial claim to Northern Ireland embodied in the Irish constitution, and would reaffirm the acceptance of the principle that the constitutional status of Northern Ireland could be changed only with the consent of the majority of the people of Northern Ireland, in return for arrangements providing for joint activity in the field of security and for political arrangements which could strengthen the position of the Social Democratic and Labour Party (SDLP) against Sinn Fein. A preliminary round of discussions had taken place, and the Irish Government had welcomed the United Kingdom's constructive approach to the exchanges. Since then, the New Ireland Forum's report had been published. It would now be appropriate for the Cabinet to authorise further exploratory discussions which would be designed to establish a clearer picture of the extent of Irish willingness to develop the dual approach which had been outlined, and to explore further what possibility there was of agreeing upon arrangements which would be acceptable both to unionist and to nationalist opinion in Northern Ireland. There were obvious difficulties. The New Ireland Forum's report had identified the three options of a unitary state, a confederal state, or joint authority. The Irish argued that they had deliberately avoided the term "joint sovereignty"; there were differences of view on the implications of the concept of "joint authority" for the continuing exercise of British sovereignty. It was nevertheless clear that the situation in Northern Ireland could not be left as it was without some further attempt to explore the possibility of reassuring the Unionists on the border issue while offering to the Republic some political movement affecting security and the Assembly. The Irish argued that they could not, for their part, undertake significant concessions on the territorial and border issues unless they were offered a reasonable package in return. Both sides recognised their joint interest in weakening support in Northern Ireland for Sinn Fein. A further round of exploratory discussions would be secret: knowledge of the exchanges to date had not leaked out, and it was vital that secrecy should continue to be preserved. If there were to be a leak, the Irish Government would be unable to continue the process.

THE SECRETARY OF STATE FOR NORTHERN IRELAND summarised, at the Prime Minister's invitation, his approach to the forthcoming Parliamentary debate, on 2 July, on the report of the New Ireland Forum and other documents. He noted that, with the "marching season" due to begin on 12 July, it would be important to avoid pushing the political parties in Northern Ireland into hard positions. He would therefore adopt a quiet

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approach, identifying the difficulties which the New Ireland Forum's report posed: it was clear that changes could not take place in Northern Ireland without consent and that none of the three courses sketched out in the report could command consent. He could nevertheless welcome some positive elements in the report and make it clear that it was the political parties in Northern Ireland themselves which could make the greatest contribution to progress. It was notable that there had been a significant change in the position of the leader of the Democratic Unionist Party, Mr Ian Paisley. After winning a personal vote of over one-third of the total in the elections to the European Parliament, Mr Paisley was evidently in a strong position and felt able to carry his party with him. He had indicated that he would be prepared to engage in private talks with the leader of the SDLP, Mr John Hume, who, for his part, did not rule this out in his search for a package with an Irish dimension. Quiet discussions of this kind could conceivably produce a helpful outcome, and it was therefore important, in the forthcoming Parliamentary debate, that nothing should be said which might prejudice them. Internal divisions in the Official Unionist Party made it harder to deal with; but "The Way Forward" was a good document and the extent of its recognition of the rights of the minority was encouraging. The Irish Government were unlikely to be disturbed by the debate if they knew that the secret exchanges which the Prime Minister had described were to go ahead: he could therefore afford, in the debate, to avoid upsetting the Unionists, thereby preserving the possibility of talks between them and the SDLP.

THE PRIME MINISTER, summing up the discussion, again emphasised the importance of continuing the secret discussions between the Secretary of the Cabinet and the Secretary of the Irish Government. It was one thing to establish the framework for possible progress but another to move into the next phase of identifying specific means of achieving it. If complete secrecy were not preserved progress would be impossible. It was necessary at this juncture to look further ahead in Ireland than the British Government had done before. Ten thousand British soldiers could not be left in Northern Ireland forever, nor could the very considerable cost of subsidising the Province be sustained, without continuing the search for possible forward movement.

The Cabinet -

Instructed the Secretary of the Cabinet to proceed on the lines proposed, and to report.

MOST CONFIDENTIAL RECORD
TO
CC(84) 36th Conclusions

Thursday 8 November 1984

ECONOMIC
SITUATION AND
PROSPECTS

THE CHANCELLOR OF THE EXCHEQUER said that the annual Autumn Statement would be published on Monday 12 November. It would take full account of the decisions which the Cabinet had just taken on the 1984 Public Expenditure Survey. On the general economic situation, it would show that output was expected to grow by about 2½ per cent in 1984 and 3½ per cent in 1985 as the economy recovered from the effects of the coalminers' strike. Inflation would decline from 4¾ per cent in the fourth quarter of 1984 to about 4½ per cent in the fourth quarter of 1985. The balance of payments on current account, which had been seriously impaired by additional oil imports and other consequences of the coalminers' strike, was expected to improve from bare balance in 1984 to a surplus of between £2 billion and £3 billion in 1985. The underlying rate of increase of earnings was likely to remain undesirably high, at about 7½ per cent in 1984 and 7 per cent in 1985. He had agreed with the Secretary of State for Social Services that the rates of National Insurance contributions should remain unchanged, subject to revalorisation of the upper and lower earnings limit. Employers would, however, enjoy the benefit of a full year's freedom from the National Insurance Surcharge, which had been abolished with effect from 1 October 1984. The Public Sector Borrowing Requirement in 1984-85 was expected to be £8½ billion: this had already been publicly indicated. On the basis of the Government's spending plans and the usual assumptions regarding revenue and borrowing, current projections suggested that there might be room for a fiscal adjustment in 1985-86 in the range of £1-1½ billion. The Autumn Statement would make it clear that it was assumed (but not predicted) that the strike would not last into 1985; and that the unemployment assumption given to the Government Actuary for the purposes of his valuation of the National Insurance Fund and advice on appropriate National Insurance figures related to Great Britain, excluded school leavers and, as in previous years, was conventional.

A minor point, of which his colleagues should be aware, was that it would be announced that printing of the £1 note would cease at the end of 1984, saving £3½ million in public expenditure in a full year. This decision would need careful presentation.

The Cabinet -

Took note.

Cabinet Office

15 November 1984



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MOST CONFIDENTIAL RECORD
TO
CC(84) 38th Conclusions

Thursday 22 November 1984

ANGLO-IRISH
SUMMIT

THE PRIME MINISTER said that she had held talks with the Taoiseach, Dr FitzGerald, at Chequers on 18 and 19 November. This was the second meeting of the Anglo-Irish Inter-governmental Council to be held at the Summit level. On Northern Ireland, the Taoiseach had expected too much from the discussions and had rejected the offer of a more modest outcome. Dr FitzGerald had set his heart on securing a package which would be seen as amounting to the exercise in Northern Ireland of joint authority by the British and Irish Governments, in return for the abandonment of the Irish territorial claim to Northern Ireland by means of constitutional amendment. There had been three main areas of discussion. Firstly, on security, the Irish had been offered a Joint Security Commission, comprising the Secretary of State for Northern Ireland, the Irish Minister of Justice and the Chief Police Officers from both sides of the border, which would provide a forum in which the nationalists could raise any matters of concern to them in the security field. The nationalists in the North would have an advocate on the Commission, in the person of the Irish Minister. The Commission would have only an advisory role, but its creation would nevertheless represent a major step forward in Anglo-Irish co-operation. The Taoiseach had been unable to accept this proposition since in his view a Joint Security Commission would be seen in the South as simply a device by which the United Kingdom was enlisting Irish help in maintaining security in the North. The second main area covered by the discussions had been that of the political framework in Northern Ireland. On this, the Taoiseach had repeatedly reverted to the subject of power-sharing, which was anathema to the Unionists. The Prime Minister said that she had pointed out that exclusion from the exercise of power was a fate shared by all minorities when political parties were based on religion or race. The British Government could not impose a political framework on the parties in Northern Ireland: progress was likely to result only from talks, freely entered into, between those parties. It would be up to the Irish Government to press the nationalists to engage in such discussions, while the British Government could exert similar pressure on the Unionist parties. Talks of this nature could take place under the aegis of the Secretary of State for Northern Ireland, and early discussions to this end were envisaged. The third area of discussion concerned the possibility of co-operation in the administration of criminal law in Northern Ireland and the Republic and the question whether further consideration should be given to the creation of mixed courts over which judges from both sides of the border might preside. The Taoiseach's unwillingness to settle, for the time being, for progress towards the creation of a Joint Security Commission had prevented the meeting as a whole from producing a positive outcome.



The Taoiseach had spoken fairly and constructively at his press conference following the Summit meeting. Following his return to Dublin, however, he had faced hostile press comment and, at a meeting with his backbenchers, had allowed himself to make unhelpful remarks which had, for the time being, soured the atmosphere of Anglo-Irish relations.

In a brief discussion, it was noted that, in the immediate aftermath of the Chequers meeting, it had seemed possible that further movement towards agreement on the creation of a Joint Security Commission would be feasible and that it might even still be possible, over a longer period, to move towards a situation in which the Irish side would be able to consider a referendum on constitutional amendment. Following Dr FitzGerald's outburst in Dublin, however, the outlook was clearly less promising. The Taoiseach's intemperate reaction to his political difficulties had been echoed by leading members of the Social Democrat and Labour Party (SDLP) in Belfast. A period of calm was now required. It would be important to impress on the Unionists that they held a position of considerable tactical strength and should therefore allow themselves to demonstrate, in private discussions with the SDLP, that they recognised the need to alleviate the concerns of the nationalist minority.

The Cabinet -

Took note.

Cabinet Office

26 November 1984