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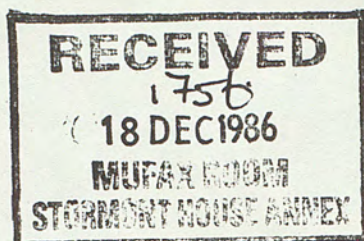
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PS/PUS (L&B) - M



c.c. PS/Mr. Bloomfield - M
Mr. Brennan
Mr. A.W. Stephens - M
Mr. Elliott - M
Mr. Innes - M
Mr. Spence - M
Mr. G. Hewitt - M
Mr. Bell - M
Mr. McConnell - M
Mr. George (RID)
Miss Elliott
Mr. Gilliland - M
Mr. S. Hewitt - M

DOING BUSINESS WITH MR. HAUGHEY

... I think that the attached note from Mr. Bell should serve as a useful basis for discussion at the next meeting of PUS's Steering Group. I myself do not believe that we should seek to take detailed pre-planning too far, given the double uncertainty of whether Haughey will indeed gain a majority and, if so, how he will play the Agreement. However, Mr. Bell argues persuasively that following an Irish election, even with a Fianna Fail Government, it is likely that we shall continue to be in business, that our objectives will remain much the same and should in many respects be consistent with those of Dublin, and that the difference that may result from a Haughey premiership will be essentially one of emphasis. On that basis, some discussion of how ready we are to cope with that situation may well be helpful.

However, even if we are right in expecting the difference to be one of emphasis, that may still be a significant difference. As Mr. Bell indicates, Haughey will be looking for results - in some shape or form. He may well be less ready than FitzGerald to accept that Unionist sensitivities offer a sufficient excuse for slow progress in meeting nationalist concerns in the North (indeed, even with a non-Fianna Fail Government we could expect impatience to grow as we move into the second year of the Agreement). In considering the impact of Haughey, therefore, we shall also need to consider what the Agreement has to offer nationalists in the course of 1987. A paper on IC strategy over the next twelve months is in preparation; and will be circulated in time to serve as a companion to the attached note in discussion in the Steering Group.

D. CHESTERTON
18 December 1986

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1. Mr Chesterton
2. PS/PUS (L)

cc: PS/PUS (B)
PS/Mr Bloomfield
Mr Brennan
Mr A Stephens
Mr Elliott
Mr Gilliland
Mr Innes
Miss Elliott Mr Spence
Mr G Hewitt
Mr S Hewitt
Mr McConnell
Mr George, RID

DOING BUSINESS WITH MR HAUGHEY

Introduction

By law, there must be an Irish General Election by 13 January 1988, but it is virtually certain that an election will be called much earlier than next autumn, and there are reasons for believing that the Government may not survive its own Budget next month. Although the precise composition of the new Dail cannot be predicted with anything approaching certainty, it seems both prudent (and timely) to assume as a "worst case" that Fianna Fail, led by Mr Haughey as Taoiseach, will either secure an overall majority or is returned with sufficient seats not to be unduly constrained by extra party interests.

2. This paper accordingly sets out, as a basis for early discussion in PUS' Anglo-Irish Steering Group:

- (a) what HMG's objectives should be, faced with a Haughey administration;
- (b) what the attitudes of such an administration are likely to be to the Agreement; and

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- (c) how HMC should respond to the new Government in order the better to secure its objectives.

3. I am submitting in parallel a separate discussion paper on the likely agenda of the Conference during 1987.

Assumptions and Objectives

4. There can be little doubt that it remains in HMC's interests to tie any Irish Government to the AI Agreement: there is no better framework available for improving security cooperation (or even for progress on subjects like extradition). Nor is there any better means of demonstrating, in the absence of progress towards an acceptable form of devolved government, that nationalists' interests will be respected in our decision making.

5. In the case of a Haughey administration, the Agreement may have the additional advantage of helping discourage his administration from taking extreme positions either domestically or internationally about Northern Ireland. (For example, it would be harder for a FF Government to try and use the powerful Irish American lobby to our disadvantage.) It might also help restrain his tendency to sudden and irrational impulses of hatred towards British Governments, as shown, for instance, during the Falklands Conflict. It may also make him harder to turn a deaf ear to our requests on extradition (and also to refuse - assuming that may not prove to be to our advantage - to give effect to the Irish legislation making possible ratification of the ECST).

6. It seems accordingly certain that our objective should remain to keep the Anglo-Irish Agreement in being; and, as with the present administration, to seek to develop and expand those areas in which the UK and Irish Governments possess common interests, notably, as an FF administration might see them, recognising the nationalist identity, traditions and interests in Northern Ireland; eliminating Sinn Féin as a threat to political stability in both parts of Ireland; and reassuring unionists that

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their interests would not suffer under any future dispensation. Although we might phrase our interests slightly differently, these nevertheless provide a basis for negotiation and discussion for which the Secretariat, and later the IC are well suited.

Fianna Fail Attitudes to the Agreement

7. There can be no certainty how Fianna Fail would approach the Agreement. This is the party's most sensitive spot and there is no FF policy document on Northern Ireland, nor, in the Embassy's view, is there likely to be. Indeed, the only member of the front bench permitted to speak on the subject is Mr Haughey himself. That said, however, a respectable case can be advanced for believing his administration would not be prepared to work the Agreement constructively, but instead to seek at best its radical negotiation from Article 1 onwards.

8. In favour of such an interpretation can be adduced the initial Fianna Fail opposition to the Agreement on the grounds that it both went against the long standing Irish commitment to unity (and Mr Haughey has recently returned to the iniquities of Article 1b)) and more particularly against the Irish Constitution. For example, Mr Haughey said during the debate on the Agreement: "This Agreement is manifestly contrary to the Constitution....no Government, no temporary majority has the right to sign away the rights of the Irish people....no future Government need, unless it so wishes, be bound by the provisions of any international agreement which are incompatible with those of the Constitution".

9. Above all, there was Mr Haughey's more recent speech at Bodinstown on 12 October which could be said to represent a hardening of Mr Haughey's attitude. He criticised the Agreement for failing to deliver, and for making things worse for the Northern minority (for which he was criticised both by the Irish

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Government and the SDLP at the time. He said: "...we (sic FF) undertook, however, not to hinder or undermine the Conference established under the Agreement if those who were committed to it could....secure major and substantial improvements in the state of affairs in Northern Ireland; if they could secure equal rights and status for the nationalist population; if they could bring discrimination in employment to an end and effect reforms in the administration of justice. So far none of these things have happened."

10. In this speech, whose vehemence even surprised FF supporters, Mr Haughey also rejected the constitutional implications (although not the constitutionality) of the Agreement; and, after the speech, said in answer to a question that he would seek to 'renegotiate' the Agreement.

11. This interpretation of Mr Haughey's attitude would conclude that he is an unregenerate republican. And, more charitably, although as substantial reporting during the last year from our Embassy in Dublin makes clear, he recognises the Agreement as a considerable achievement, he nevertheless remains sceptical at best about many aspects of it. He fears that the clever British have managed by it to secure Irish assistance in the pursuit of British interests in Northern Ireland (while offering nationalists nothing in return) thus, in his own words, "copper fastening" partition. This, together with the wording of Article 1, and the spectre of British interference in internal Irish affairs (eg over human rights) serve to justify his constitutional reservations and reinforce his instinctive republicanism.

12. On the other hand, there are grounds for believing that such, largely public, statements do not embody the whole truth about current FF, or Mr Haughey's own attitudes. It is highly relevant that Mr Haughey originally miscalculated the mood of the majority of the Irish public, who saw the Agreement as

* and, as the most recent (December) public opinion polls suggest, still see, including amongst FF supporters

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progress. Nor did Fianna Fail have the courage of their convictions about the constitutionality of the Agreement, and no case was brought against it in the Irish Supreme Court. Subsequently, Mr Haughey moderated his position, and took a much more positive line in public: for example, on 12 September he said: "In so far as the Agreement was in place, you have to accept it until such time as we are in a position to renegotiate the terms. Possible renegotiation of the Agreement by a Fianna Fail government is something the party will have to decide in the circumstances prevailing at the time".

13. This approach was confirmed, for instance, by a conversation with our then Ambassador on 16 July when he said: "There was no question of any government repudiating the international engagements undertaken by its predecessor"; and, in another conversation of 30 October, he asked Sir A Goodison to tell the Prime Minister that "If he came to power, he would contemplate discussion or conversations about the Agreement" which the Ambassador interpreted as an attempt on his part to move away from the implications of the word "renegotiation". This was a far cry from the Bodinstown rhetoric, and Sir A Goodison concluded, in his Valedictory Despatch, that, while Mr Haughey is likely to bang the Republican drum in public, he will endeavour not to put in danger the benefits which the Agreement offers for the two Governments and for the nationalist people of Northern Ireland. "A tricky policy: but he is by nature a tricky man."

14. Nor is the Bodinstown rhetoric itself necessarily inconsistent with such a more pragmatic approach: that speech was made at a traditional place for Republican electoral speeches, and is just as likely to reflect Mr Haughey's worries about non-abstentionist Sinn Fein damaging FF electoral chances, and resentment at our own Secretary of State's (then) recent comments about Articles 2 and 3 of the Irish Constitution as any deep-seated change in policy.

The Agreement and Fianna Fail Interests

15. More important than attitudes, the republican tradition of Fianna Fail, or Mr Haughey's own gut republicanism is that for a new FF administration not to work the Agreement, at least in the short term, would be to sin against ^{their} own interests (which, up to a certain point, are ours also).

16. Mr Haughey's record reveals him as a highly pragmatic and astute politician, with few scruples and a keen eye for the main chance. It also displays him as the Irish statesman who did most to promote the Anglo-Irish dialogue which culminated in the present Agreement, and whose record on cross border security cooperation does not appear significantly worse than ... that of Dr FitzGerald (see Annex A). Such a person is unlikely either on principle or because of previous public statements, to break with the Agreement when he will be aware that for many in both parts of Ireland the presence of Irish civil servants in the Secretariat, and the right of an Irish Minister to have an influence over what happens in the Province are in themselves, as he has acknowledged privately, major achievements. To risk losing these, without putting anything more substantial in their place (and Mr Haughey's own preferred solution of a round table constitutional conference under the aegis of the British and Irish Governments at which the Unionists would be present is a chimera) would undoubtedly be seen as a retrograde step even by many dedicated republicans. He would also risk a much more serious, or permanent rupture with the SDLP who are universally regarded as the voice of constitutional nationalism, are still attached to the Agreement, and whose views command respect in Dublin. He would also prejudice Irish relationships with the USA where the Agreement had been welcomed by prominent Irish Americans, and he would risk the almost certain end of the International Fund. Finally, Irish withdrawal would be welcomed by unionists as an unqualified victory in circumstances from which Sinn Fein would be the only beneficiaries.

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17. It seems more probable, therefore, that Mr Haughey would seek to exploit the existing machinery to achieve more "successes" for the nationalists both to allow him to improve his reputation and as a man who cares about the situation in the north and gets things done. This would also help him out of the difficulties he has created for himself by claiming that the position of northern nationalists has worsened since the Agreement. The success of such a strategy, or his readiness to adopt it would depend on a combination of Mr Haughey's judgement about what he could obtain from HMG, and whether we were prepared to make it worth his while to play.

Likely Fianna Fail Policies

18. The SIL view, shared by the retiring Ambassador in Dublin, although some of our NIO colleagues may be more sceptical, is accordingly that:

- (a) initially at least, Fianna Fail would go along with the routine cooperation now established in the Secretariat and in the working groups of the IC with an emphasis on more vigorous implementation of the Agreement for northern Catholics. They will be anxious to demonstrate that they had secured greater changes in the province than Dr FitzGerald. (This strategy is the more likely in that he may wish to defer taking a new policy initiative until after he knows what sort of UK Government he will be dealing with after the impending British General Election); and
- (b) in the longer term, however, it remains possible that Mr Haughey will seek to secure some review

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of the Agreement which he would be able to present as 're-negotiation'. This is the more likely as it is now less than two years to the three year review of the Agreement guaranteed in Article 11. If rebuffed on this Mr Haughey might then see more advantage in developing an adversarial public image than in quiet cooperation.

19. Institutionally, it seems likely that Mr Haughey would take over direct control of Anglo-Irish relations from the DFA, and will not be prepared to devolve nearly as much authority in this area to his Minister of Foreign Affairs as has Dr FitzGerald. The question of Ministerial representation in the IC is, therefore, open. However, given the strength of links between the present Irish Secretariat and the Department of the Taoiseach, such a change might be more cosmetic than real. It would, however, almost certainly entail a change of Irish personnel in the Secretariat.

Our Policies

20. To the extent that the above analysis is correct, the implications for our policies are:

- (a) in the run up to the General Election (and in the five weeks period that would elapse between the election campaign (3 weeks) and the two weeks between the election and the installation of the new Government), it would be imperative to avoid any impression of favouring one side or the other. But we should make it clear that we are prepared to work with any Irish Government through the Agreement, and, when necessary, defend the Agreement's record. We should take no steps which might imply that our commitment to the Agreement was in doubt, and which FF could exploit as an election issue. We should also do nothing

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that prevents FG portraying the Agreement in a constructive and positive light* - not merely, indirectly, to help FG but because the better the Agreement is perceived to be in the Republic, the harder it would be for a FF administration to resile from it; and

- (b) after the election, our task would be to persuade Mr Haughey that we did have common aims, and that the Agreement machinery was the best means available for pursuing them. This points to not squandering any nationalist-oriented measures we may have in the pipeline until we know who will make up the next Irish Government.

Conclusions

21. Although there is some conflict of evidence, there are reasons to believe that a Fianna Fail administration, led by Mr Haughey, would seek to exploit the Agreement for domestic (and international) advantage so long as it is in their interests to do so. We believe that they may do so at least in the short term and perhaps longer - although this willingness will depend on HMG's ability, in full knowledge of Mr Haughey's susceptibilities and through a constant stress on the achievement of mutual advantage, to retain his adherence to the Agreement. This might well involve some adjustments to policy in the north which would require further consideration. But whatever view is taken of Mr Haughey's (and FF's attitude generally) it is manifestly in our interest to seek to involve him in the operation of the Anglo-Irish process.

22. Most immediately, and during the election campaign, we must avoid taking sides and signal our willingness to cooperate with whatever Irish administration emerges. But we should carefully

* this includes Ministers avoiding any reference to the Articles 2 and 3 of the Irish Constitution

void any statements which might encourage FF to take damaging positions on the Agreement (and equally, we ought to discount more republican electoral rhetoric designed at booming off the threat from Sinn Fein). In the interim, continuing progress with the day to day operation of the Anglo-Irish Agreement may also help Dr FitzGerald to a small extent in what could be a very close race.

23. Subject to the view of Steering Committee, a revised (and shortened) version of this paper could be submitted to NIO Ministers.

P N Bell

P N BELL

16 December 1986

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MR HAUGHEY'S RECORD

The present Anglo-Irish Agreement stems from initiatives taken, on the Irish side by a Fianna Fail administration, led by Mr Haughey. At his summit meeting with Mrs Thatcher in December 1980, a series of Joint Studies were commissioned. The most important conclusion of these was that formal institutional structures should be created between the United Kingdom and the Republic. One was the Anglo-Irish Intergovernmental Council (AIIC), which is a framework for meetings between the Heads of Governments, Ministers and officials. This body still exists as the formal framework for summit meetings, and for the Intergovernmental Conference and also undertakes some work of its own, although to a large extent it has been superceded by the IC. In the period 1980/82, Mr Haughey attached considerable importance to the institutional changes (as well as making much play on the commitment on the part of the UK to study the totality of relationships in these islands) and Dr FitzGerald has often observed the Anglo-Irish Agreement was the result of initiatives begun by his predecessor. It is, therefore, possible that Mr Haughey would try to place more stress on these aspects of the system which he personally created, and in particular the AIIC. It is also possible that he might seek to breathe life into the Anglo-Irish Parliamentary Body, a proposal which also resulted from his joint studies but which only has a shadowy life in Article 12 of the Agreement.

The relatively warm relations with Mr Haughey deteriorated in 1982 both because of the position he adopted during the Falklands Conflict, and his attitude to the NI Assembly: he was partly instrumental in persuading the SDLP not to participate. Nevertheless, his record of security cooperation seems to have been no worse than that of Dr FitzGerald. Indeed, there are some reasons for believing that the Garda are more inclined to

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be forthcoming under a Government led by Mr Haughey, since they no longer fear a future Fianna Fail Government looking askance at their activities.