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24 July 1991

ANGLO-IRISH DINER

1. This letter offers some briefing for the next meeting of the Diner on Friday, 26 July. I hope we can amplify any NIO points at your briefing meeting on Friday afternoon.

Tete a tete with Mr Nally: handling

2. You have agreed with Dermot Nally that he and you will have an hour's private discussion before the Diner starts. The plan is for you to use the Speaking Note which picks up the key points mentioned by the Taoiseach during his meetings with the Prime Minister on 21 and 29 June. The background to this handling plan is set out in your minute of 18 July to Stephen Wall.

3. You have reported to the Prime Minister that if Dermot Nally tries to insist on expanding the tete a tete you will suggest taking the discussion into the Diner rather than augmenting the tete a tete. Our main aim is to avoid creating any new mechanism which could turn into a rerun of the Armstrong/Nally group which negotiated the Anglo-Irish Agreement. We want, without rebuffing the Taoiseach, to avoid establishing a twin track political policy for Northern Ireland, in which our key priority - negotiating terms for fresh Brooke initiative talks - became submerged in a formal in-depth review of Anglo-Irish relations based on a mistaken assumption that any comprehensive

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accommodation could be imposed on, rather than negotiated with, the parties.

4. John Chilcot has discussed other aspects of handling the tete a tete with Len Appleyard. Their advice is that you should not hand over your speaking note to Dermot Nally, or agree any suggestion from him that you should commission work to be put to a further tete a tete. Instead, the aim would again be to take matters into the Diner, for the reason set out in the previous paragraph. The Prime Minister commented to Mr Haughey on 29 June that the right people would be at the Diner and it would be "possible to process the discussions in a way with which all were familiar. If there was any leak then both sides could say with complete truth that no new mechanism had been set up."

5. There is a possibility (although not one which we have been warned to expect) that Dermot Nally may seek to hand you a paper in the course of your tete a tete. In this event it would be very desirable - if you felt the circumstances permitted - not to accept the paper as a formal basis for continuing work but to invite Mr Nally and his colleagues to speak to it in the Diner. (On the basis that such a paper was no more than an aide memoire to a discussion in the Diner as a whole, there would be no difficulty in accepting it, and indeed it would be difficult to refuse to do so without being churlish.)

6. We envisage that there would be another Diner in the autumn before the Prime Minister and the Taoiseach have their bi-lateral. John Chilcot and Len Appleyard agreed that it would be difficult for you to turn down a request from Dermot Nally for another tete a tete immediately before it if he requested one. For the reasons given above our advice would be that you should not accept a request for an augmented tete a tete.

Tete a tete with Mr Nally: substance

7. The main points are set out in your Speaking Note. I am enclosing a supplementary set of points to make. They are intended mainly for follow up discussion in the Diner itself, but could if need be be used to enlarge with Dermot Nally on points in your Speaking Note.

8. There is one additional point of substance which we think should be raised with Mr Nally during your private discussion. This is the complex of apparent Irish misconceptions reported in Stephen Wall's letter of 14 July about Mr Mulroney's conversation with the Prime Minister about his recent talk with the Taoiseach. Even allowing for some muddled transmission, there is some separate collateral for some potentially very dangerous Irish wishful thinking here. The main reported assumptions are

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- (a) that PIRA will disband if the Irish Government makes clear that it will not amend Articles 2 and 3;
- (b) that a multi-national Old Commonwealth peace-keeping force might be a runner for Northern Ireland; and
- (c) (not mentioned in Stephen Wall's letter) that the British side is contemplating setting a date for withdrawing British troops.

The main point to be volunteered on this, in the Diner, as well as in your pre-meeting with Mr Nally, is included in your Speaking Note: namely that the two Governments should maintain their commitment to the principle of consent of Article 1 of the Anglo-Irish Agreement. But we think this whole set of misconceptions - which seem to be current at the top of the Irish machine - is so serious that you should take the initiative with Mr Nally in tackling them en bloc. The first note in the enclosed briefing offers a line to take. It may be worth recalling that for a time in Spring and Summer last year the Irish ran the argument that Mr Brooke's efforts to initiate talks were a distraction from the real issue of inducing PIRA - who were claimed to be "on the ropes" - to lay down their arms.) Nick Fenn suggests that you might come clean with Dermot Nally about the provenance of points (a) and (b) - ie that they have been reported by Mr Mulroney - since he is a respectable source, giving us a legitimate peg on which to hang our correction of these misconceptions, while also enabling us to say to the Irish that we quite understand that the message may have become muddled in transmission.

The Diner

9. We suggest that Diner participants should be guided by the points in your Speaking Note for the tete a tete with Dermot Nally in terms of the overall message which the British side should seek to get across. The main elements are:

- (a) that the first priority for the British Government should be to promote agreement by all the participants on a basis for fresh talks;
- (b) that both Governments have a vital role to play in facilitating such agreement;
- (c) that the NI parties are free agents: any comprehensive accommodation must be negotiated with and among them, and cannot be imposed upon them;
- (d) that an imposed solution could not deliver key Irish objectives such as new North/South institutions, since the

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Unionists could thwart their effective operation if they had not been signed up;

(e) that the Irish Government must therefore undertake a serious effort to build up the confidence of the Unionists - therein lies the importance of the North/South component; and

(f) that the Prime Minister is likely to want to return to security co-operation at the next bi-lateral.

The British side should also if necessary rehearse in the Diner the line which you will have taken in the tete a tete about Sinn Fein and Mr Mulroney's report of his conversation with the Taoiseach. The Irish are not certain allies on any EC matters. They are concerned above all about cohesion. But we want to encourage them to continue to think about alliances on EC questions. This suggests a further point:

(g) that the Prime Minister welcomes the Taoiseach's suggestion that the two governments should work more closely together in a Community context.

10. While the points in the previous paragraph will be the main messages from the British side, we are deliberately - in order to pick up points made by Mr Haughey on 21 June - leaving open the possibility of discussion at the Diner on:

(a) possible outcomes which the two Governments might seek to facilitate in fresh talks (although on the basis that we would need to have carried the parties with us); and

(b) possible Anglo-Irish topics which might be discussed at the next bi-lateral (although on the basis that this would not amount to an alternative political development agenda to fresh Brooke initiative talks). A good agenda of Anglo-Irish topics for the bi-lateral from our viewpoint would be fresh political talks; North/South exchanges; social and economic co-operation; security co-operation and confidence issues (including extradition).

This ground is covered in the enclosed briefing.

Next Diner

11. We could offer a further meeting of the Diner in the Autumn before the Heads of Government meet. This would fit in with the Sherpa Group role which the Diner is assuming in relation to the next such bi-lateral. It seems sensible not to settle the timing of the next Diner on 26 July, but to return to this taking account of any developments over the summer break.

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I am **copying** this letter and enclosure to British side participants in the Diner. May I wish you all an agreeable evening!

Yours sincerely,

[SIGNED]

QUENTIN THOMAS

cc PS/PUS (L&B)
PS/Mr Fell
Mr Ledlie
Mr Alston
Mr Broomfield FCO
Mr Appleyard, Cabinet Office
HMA Dublin

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PIRA and the British military presence (ie Mr Mulroney's account of his talk with Mr Haughey)

Points to make

1. Our assessment, and that of our security advisers, is that the capability of PIRA to sustain their campaigns remains strong.
2. We have no reason to believe that PIRA would disband if the Irish Government were to signal their determination not to amend Articles 2 and 3 of the Irish Constitution.
3. By contrast, the Unionists and others have clearly noted the indications by the Irish Government that it would be ready to see Articles 2 and 3 discussed within the Talks context. Any signal that the Irish Government was not prepared even to discuss amendment of Articles 2 and 3 would be extremely damaging for getting fresh Talks started.
4. The British Government has not set any date for the withdrawal of troops. There is no possible present basis for doing so, however desirable may be the long term objective of enabling the police to manage without military support.
5. Since Northern Ireland remains a part of the UK, we could not in present circumstances contemplate replacing British troops with a multi-national force drawn from the old Commonwealth.
6. The British starting point is, and must continue to be, all the elements re-affirmed in Article 1 of the Anglo-Irish Agreement, together with the status of Northern Ireland in UK law as part of the UK while that is the wish of the majority of the people who live in Northern Ireland. Article 1(c) does, of course, reflect our commitment to facilitate the establishment of a united Ireland should that become the wish of the majority of people in Northern Ireland.

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7. A majority of the people of Northern Ireland at present clearly wish to remain within the United Kingdom. There is no evidence to suggest that that position is likely to change in the foreseeable future.

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A basis for fresh talks

Points to make

1. The analysis underlying the basis for talks set out in the 26 March statement has been confirmed by the ensuing talks which concluded on 3 July. The plenary sessions launched on 17 June produced genuine political dialogue, some remarkably positive exchanges, and a significant degree of agreement on underlying themes and principles.
2. We now need to consider whether any adjustments are needed in the 26 March groundrules. We hope we can build on agreements reached in the 26 March talks - eg on independent chairman, venue and rules of procedure for Strand II - although technically these matters will all have to be revisited.
3. The likelihood is that some sort of mechanism similar to that for the launch of Strand 2 in the 26 March statement will be needed.
4. It is clear that a key question will be that of the gap for any fresh talks, and especially its end point. Mr Brooke will expect to discuss this issue with Mr Collins at the Conference on 13 September.
5. What options has the Irish side considered? Does the Irish side see any scope for utilising the AIIC machinery as a possible, although not necessarily exclusive, ingredient in overcoming difficulties over the "gap"? (This is not an idea the British side is seeking to promote; but it did surface in the talks in Parliament Buildings.)
6. We also need a clearer understanding of the circumstances

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in which the East/West Strand would be launched and of the procedures to be followed after it.

7. Mr Brooke does not envisage that he will have early contact with the Northern Ireland political parties this side of the summer break. But we are monitoring Unionist reactions to the 16 July IGC, and to subsequent developments, and we are ready to respond to any positive rustlings in the undergrowth.

8. Mr Brooke proposes to make a speech on 29 July which would confirm his hope that a basis can be constructed for fresh talks in the Autumn and which would bring out the underlying value of the talks process. He considers it important in this way to prevent any unravelling over the summer break and to maintain the momentum for the negotiation of a basis for fresh talks.

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Carrying the Northern Ireland political parties with us

Points to make

1. As the Taoiseach implicitly recognised on 21 June, the Anglo-Irish Agreement - while a major step forward in other respects - did prompt the Unionists to go into internal exile. (The British side of course remains fully committed to the Agreement unless we were to find something which all agree would be better.)
2. As the Prime Minister explained to the Taoiseach on 21 June, he does not believe it is good for Northern Ireland for political isolationism in the majority community to continue, and he does not want to do anything which might encourage it.
3. It would also be impossible for the two Governments to achieve anything other than a very attenuated set of objectives for the talks if the Unionists did not participate in fresh ones.
4. For instance, any prospect that the Unionists would take a constructive approach to new North/South institutions would be lost if the talks could not be restarted. Such institutions could not operate meaningfully if opposed by the political representatives of the majority community.
5. The Prime Minister is very grateful for all that the Irish Government has done so far to help with the handling of the Unionists. For instance, the way in which the Irish Government has indicated its readiness to discuss Articles 2 and 3 of the Irish Constitution in the context of the talks has been most helpful.
6. But, in our view, you need to do more to woo them. Unless the Irish Government is prepared to undertake sustained effort to

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prepare the ground for direct dialogue of confidence with the Unionists we will not get far. We cannot do that for you. Therein lies the importance of the North/South element of fresh talks. For our part we remain fully committed to efforts to develop the confidence of both sides. The 26 March talks amply demonstrated our readiness to take a tough line with the Unionists where necessary - eg over the 16 July IGC.

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An in depth review of the whole Anglo-Irish relationship?

Points to make

1. The Prime Minister is entirely content that the Diner should be used as a forum for reviewing privately possible outcomes acceptable to all the participants which the two Governments might seek to facilitate in the talks; and for preparation for the Autumn bi-lateral on such key Anglo-Irish topics as North/South exchanges, social and economic co-operation, confidence issues and security co-operation. [For EC and foreign bi-lateral issues see separate note.]
2. The Prime Minister regards the relaunch of the political talks involving the four main Northern Ireland political parties as our first priority, given the historic opportunity which such talks provide.
3. Accordingly, while the Prime Minister is happy for us to discuss Anglo-Irish topics in preparation for the Autumn bi-lateral, he does not want our discussions to cut across the talks or reduce the sharpness of our focus on them.
4. We are not, therefore, engaged in a twin track political policy. The plenary sessions which started on 17 June of the 26 March talks confirmed that the three stranded analysis was the right one. We continue to believe that it offers the best prospects for securing a comprehensive accommodation acceptable to all the participants.

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Joint directorate for the talks process?

Points to make

1. The Prime Minister and the Taoiseach agreed at Luxembourg that the Diner would be the right format for preparation for the Autumn bi-lateral, including key issues in the Anglo-Irish relationship. We think this is the right format and people. If there is any leak, both sides can say with complete truth that no new mechanism has been set up.
2. Our first priority is to facilitate agreement by all the participants of the necessary terms for fresh political talks, given the historic opportunity which the Prime Minister and the Taoiseach have recognised they provide.
3. The Prime Minister believes that the two Governments have a vital role to play in influencing public opinion in way which keeps up the momentum for fresh talks, and in helping the parties to agree to the necessary terms. He is conscious that the close relationship between the Irish Government and the SDLP will be an important factor in helping to move the process forward.
4. But we cannot dictate terms, or impose any worthwhile comprehensive settlement, on the Northern Ireland political parties. The political parties are free agents.
5. If the two Governments are thought to be turning their backs on a negotiated settlement in favour of a jointly imposed solution we can wave goodbye to the three stranded analysis and to any prospect of achieving all those aspects of a settlement which entail carrying the political parties with us.

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What outcome does the British side seek from the talks?

Points to make

1. Since it is not possible to impose solutions on the parties, the British side genuinely sees its role as having a strong facilitating element.
2. We want to find and enlarge areas of agreement between the participants. A possible interim objective would be agreement on a statement of principles.
3. Beyond that we would welcome:
 - (a) new institutions of government in Northern Ireland which command widespread support and are fair and effective;
 - (b) continuing arrangements to promote reconciliation between the two traditions in Northern Ireland and an end to discrimination;
 - (c) strengthening of Article 1(a) of the Anglo-Irish Agreement to recognise the present status of NI as part of the UK and the principle (and not just the political reality) of majority consent to change in that status. (We recognise that this would entail amending Articles 2 and 3 of the Irish Constitution - eg to replace the territorial claim with an aspiration);
 - (d) better links between the Republic of Ireland and Northern Ireland, and closer contacts and understanding between the peoples North and South;
 - (e) the possibility of a new Agreement which both sovereign states would regard as better and which would be compatible with ending the internal exile of the Unionists.

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The Forum Report

Points to make

1. In mentioning unity, federalism and joint sovereignty as the options for a solution to the Northern Ireland problem, Mr Haughey on 21 June was of course alluding to the new Ireland Forum Report Recommendations of 1984.
2. The Forum of course met without the Unionists. Nevertheless, much of its analysis was valuable. But it is a matter of historical record that the three recommendations cited by Mr Haughey were rejected by the British Government at the time. HMG would go along with much of the "realities and future requirements" suggested in Chapter 5, but believes that there are other options besides unity, federalism and joint sovereignty which would better fill those requirements.
3. It will not surprise you to know that for the British side the starting point must be the principle of the consent of the people of Northern Ireland embodied in Article 1 of the Anglo-Irish Agreement. (Paragraph 5.2(3) of the Forum Report also reflects the principle of consent.)
4. We are both parties to that Agreement.

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Sinn Fein

Points to make

1. The Secretary of State for Northern Ireland has made clear that a demonstrable renunciation and end to armed activity (and not just a ceasefire) would be a necessary (but not sufficient) precondition before involving Sinn Fein in the talks could be contemplated.
2. Mr Brooke and the Prime Minister are both acutely conscious that this is a subject which arouses the most intense suspicions on the part of the Unionists.
3. The slightest hint of any departure from the public position of the two governments on this most sensitive question could threaten to scupper the talks process.

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Economic and social issues

Points to make

1. It is clearly sensible, and an important part of Anglo-Irish business, for the UK and the Republic of Ireland to co-operate where our social and economic interests coincide.
2. 1992 will strengthen the need for co-operation in many areas. Both sides are no doubt realistic that there are areas in which competition will remain - eg inward investment, tourism, the agri-food industry. We should aim to build on existing co-operation and identify the most productive areas for further such co-operation.
3. We will continue to work closely with the Irish Government to ensure continued support for the International Fund for Ireland from existing donors, particularly the US and the EC.
4. The Anglo-Irish IGC has provided a useful forum for giving impetus to suitable social and economic issues. In the longer term there is likely to be scope for expansion of this area of business, although both sides need to be sensitive in the short term about the possible impact on relaunching the talks. For example, while the Agreement provides for the Irish side to interest itself in major NI social and economic policies with significant implications for the minority community, high profile concentration on internal Northern Ireland policy in conference communiques would clearly be provocative to the Unionists.
5. Active co-operation to break down mistrust and incomprehension between people north and south is important in the political context as a complement to our efforts to break down barriers between the two traditions within NI.

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Security Co-operation

Points to make

1. Terrorist attacks by both PIRA and loyalists remain worryingly high. Attacks are becoming more sophisticated with rocketry and larger explosive charges.
2. We welcome recent improvements in working relations between the Garda and the RUC. Security co-operation is advancing throughout Europe (eg Schengen).
3. What we need now is a concrete demonstration of our renewed commitment to effective bi-lateral security co-operation. This, together with progress at a political level, would be the right response to terrorists, Orange or Green. It would be in the interests of all the people of these islands, and could help to condition Unionist attitudes positively to political development prospects.
4. We have a number of specific ideas of our own to enhance security co-operation. These will be canvassed in the normal way through the IGC, the Secretariat and the associated policy and operational channels. It would not be right to engage in detail on them here tonight. The general point we should like to expose here, in preparation for those exchanges, and indeed because it is an issue we are sure the Prime Minister will want to address at his next meeting with Mr Haughey, concerns the political context for security co-operation. The point is simply put. At the operational level there is active co-operation which is greatly appreciated, and every sign that, in addition to all that is done, the relevant agencies are anxious to do all possible within the political constraints laid down. But our impression, over a long period, is that these constraints are closely monitored (giving operational people only limited local discretion) and

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restrictively applied. Against that background, and with a periodic sharpening of focus on extradition cases, it is difficult to maintain confidence in the reality of our joint commitment to defeat terrorism.

5. We recognize the very great difficulties which we both face in dealing with PIRA, not least in the Border areas. We are also conscious of the political and economic context in which you have to operate. That is why we should be especially grateful for your own ideas as to how we together might deny terrorists the resource which the border currently represents to them.

6. Clear public evidence of renewed commitment by Dublin to the defeat of terrorists is likely to pay political as well as security dividends, in allaying Unionist suspicions that the Republic is ambivalent about terrorism. This goes to the heart of Unionist concerns.

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Confidence in the security forces and administration of justice

Points to make

1. We have demonstrated our determination to set our house in order (for instance through the Royal Commission established in the aftermath of the Birmingham Six case).
2. We fully recognise a common interest in building and retaining nationalist confidence in the security forces.
3. But confidence of the Unionist community that the fight against terrorism is effective is equally important.
4. (If raised. HMG continues to honour the 1985 objective of police accompaniment of army patrols wherever possible. Levels are high, as the Chief Constable has explained in conference meetings. But the RUC must have regard to operational needs: they cannot abort an anti-terrorist operation simply to accompany a patrol.)

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Extradition

1. We remain concerned by the scope for terrorists to claim political exemption in the Irish 1987 Extradition (ECST) Act. We continue to believe that it is vital to close these gaps.
2. (If raised.) We were pleased by the trial judge's decision in the Ellis case that the charges on which Ellis was originally returned were valid. Ministers were disappointed by the refusal of the Irish authorities to consent to Ellis' being tried on the substituted charges if, and only if, the trial judge were to declare the return charges invalid. The result in publicity and public reaction would have been highly embarrassing for both Governments.
3. Our refusal to proceed on the substituted charges against the wish of the Irish authorities demonstrates again that we accept, and will continue to adhere to, the gentleman's agreement on speciality.
4. The question of statutory provision for speciality is primarily a matter for the Home Office. Mr Brooke has indicated that he would not be adverse to further discussion of the issues in the wake of this case. Sir Patrick Mayhew has proposed a follow-up discussion with Mr Murray.

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MERGER OF ULSTER DEFENCE REGIMENT AND ROYAL IRISH RANGERS (PROJECT INFANCY)

Points to make (if raised)

The Government has taken the opportunity of the "Options for Change" army reforms to restructure the UDR and to integrate it more closely into the regular army (as we have often been urged to do). The aim is to create a highly trained, well officered, professional force, free of any sectarian bias, which is demonstrably of equal standing with all other infantry regiments of the British army.

2. The merger will build on the best features of both the UDR and the Royal Irish Rangers.

3. The emphasis of the new regiment will be on sustaining highly professional infantry standards.

4. The new regiment will seek to be representative of both traditions in Northern Ireland. We hope it will draw on the wider recruiting grounds which the Royal Irish Rangers have traditionally enjoyed in Northern Ireland, Great Britain and the Republic of Ireland. We also hope there will be more recruits from the minority community in Northern Ireland.

5. The merger represents no diminution in the Government's commitment to the defeat of terrorism. In its internal security role, the new regiment will in fact enable the GOC to provide the RUC with more effective military support.

6. (If asked why not abolish UDR and substitute regulars). Replacing a resident UDR batallion by one on rotation from elsewhere would not involve a one for one exchange. So, even leaving aside the advantages of home-based soldiers in terms of

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cost effectiveness and local knowledge, abolishing the UDR would entail a total army establishment in excess of our total defence needs.

7. The new regiment will provide better career opportunities; offer opportunities for cross posting and for service with other British army units at home and abroad; and lay the ghost of alleged UDR sectarianism by creating a regiment which is self evidently an integral part of the British army.

8. In the period before the new regiment is formed, some structural changes in the UDR will take place to make it more efficient. Four and six UDR will amalgamate, as will two and eleven UDR, to form larger battalions. These changes will not reduce the number of soldiers which the GOC has under his command. They will simply enable the regiment to provide more effective support to the RUC for a better ratio of operational to administrative posts.

[NOTE:

9. The initial Irish Government reaction is positive: "The Government see this new development as offering an opportunity for significant improvement, which they hope will be fully utilised, particularly in areas such as care and sensitivity in deployment and improved relations with the community."]

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Background

The Royal Irish Rangers and the UDR will merge to form a new regiment.

2. All members of the new regiment will belong to a single regiment, with the same name and uniform, Regimental HQ and Administration; and will be trained to professional infantry standards, sharing training facilities and attending the same courses wherever practical and appropriate.

3. Subject to Royal approval, the merged regiment will be called the Royal Irish Regiment and will come into being on 1 July 1992. Details of the uniform have yet to be decided.

4. The new regiment will comprise one general service battalion and up to seven battalions for service in Northern Ireland. Of the current nine UDR battalions, two and eleven UDR and four and six UDR will combine to form larger battalions in the near future, without reducing overall strengths but with better ratio of operational to administrative posts. There will also be some restructuring within the battalions to improve the balance between operational and administrative posts.

5. General service battalion will have a standard strength of about 650 ranks. Total strength of the home-based battalions will be broadly the same as the present total strength of the UDR (about 6,000), and will continue to include both part time and full time soldiers.

6. The general service battalion will have obligations to serve world-wide over the full range of duties discharged by regular battalions of the regiments of the infantry of the line, including taking their turn amongst them in operation as part of

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the resources under the command of the General Officer Commanding Northern Ireland.

7. Home-based battalions will be based in Northern Ireland and employed primarily on internal security duties there under the command of the General Officer Commanding Northern Ireland. There will be opportunities for individual members to undertake a wider range of duties with regular army units and in military posts elsewhere.

8. The new regiment will build on the best features of existing regiments and provide greater military flexibility. Its large size and extensive responsibilities offer a wide diversity for training and employment, and a larger and better career structure with greater opportunities for advancement. It will also be of a size which should ensure a strong recruiting base, able to draw manpower from a wide area.

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Other Bilateral Issues

Points to make

The agenda can be settled nearer to the time of the meeting in Dublin. We would expect the discussion to cover the principle items on the Community agenda in the run-up to the IGCs. The Prime Minister will also want to talk about the major international issues at the time (eg Iraq, Yugoslavia, Soviet Union, Southern Africa) as well as the follow-up to the Economic Summit and the discussions with Mr Gorbachev.

2. It is useful that officials have been able to compare notes since the Taoiseach's visit to No 10 (Mr Jay, AUSS, FCO, visited Dublin on 18 July for talks with Mr Barrington, his Irish opposite number).

(If detailed points are raised by the Irish)

3. We are opposed to any Dutch attempt to move towards a unitary Community structure. We understand that the Irish also oppose changes in a unitary direction at this stage.

4. We continue to attach importance to CFSP and Interior/Justice matters being distinct from the Treaty of Rome, and in particular non-justiciable before the ECJ. We understand that the Irish share our views. Our officials have agreed to make further contact again in September about ideas on the powers of the European Parliament.

5. We understand the tension in Irish policy between avoiding measures which add to labour costs and reduce Irish competitiveness and government/union relations. The extension of competence and QMV in the social area would be sticking points for us.

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