

CONFIDENTIAL*a/m Nally*
9/8

Ref. A091/1789

MR WALL

1cc PS (SofS (GB))
PS (HofS (GB))

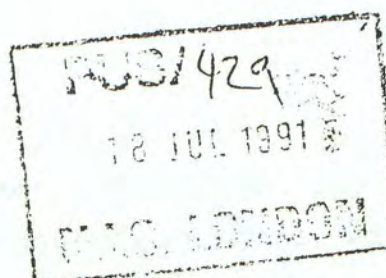
PS (HofS)

- Mr Thompson
Mr D. Hill

Mr Cooke

Mr Dods

2 PS to see Mr 18/7



3656

Anglo-Irish Talks

The Prime Minister has asked to be consulted before the next meeting takes place on the follow-up to his discussions with Mr Haughey in London and at Luxembourg.

Irish Objectives

2. Mr Haughey's main aim in proposing an in-depth review of the totality of the Anglo-Irish relationship is to place the burden of achieving a long-term improvement in relations between the communities North and South of the border upon the two Governments. This would give him a leading role in the exercise, leave the most politically difficult element (bringing along the Unionists) to us to deliver, take the pressure off the Irish Government to do some fresh thinking about its own role, and divert us from the essential task of building up a process of reconciliation from the bottom up on the basis of realism and confidence. He no doubt is modelling his approach on the arrangements which led up to the Anglo-Irish Agreement, i.e. talks between very small teams of officials led by the Cabinet Secretaries on each side. In practice, the Irish Government appears to have no precise ideas on the institutional and political measures which their strategy would entail or how this would fit in with the current series of talks, but we cannot be absolutely sure that Mr Nally will not come up with some proposals.

Our Objectives

3. There are obvious dangers in this approach for us. We must get away from the idea of a Working Group or a formal review of

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Anglo-Irish relations. We could not rely on any such arrangement remaining secret and any suggestion that we were working secretly with the Irish Government on ambitious long-term plans designed to bring about fundamental changes would immediately rekindle all the suspicions of the Unionists (including rank and file), would put at risk the progress being made on normalisation in Northern Ireland, and would effectively scupper any chances of launching fresh talks in the autumn - or for a long time to come. Bearing in mind the success of Mr Brooke's efforts in patiently constructing confidence through dialogue with the parties themselves, this would be seen as a catastrophic own goal. On the other hand, we have an interest in encouraging the Irish Government to play a constructive role in bringing the parties back to the conference table and thereafter, and we have a wider interest in solid relations with the Taoiseach in the context of the IGCs and the fight against terrorism. So the stakes are high and we will have to strike a sensible balance.

Handling

4. Fortunately we have the machinery of the Anglo-Irish Diner already in place. So far the existence of the Diner has not been leaked. But if word got out about the dialogue (and the Irish might see advantage at some point in leaking) we could truthfully deny that any special machinery had been set up: the Diner has been going on for some years. The Diner has a suitably informal framework which gets away from the idea of a formal set of talks. The Irish have now proposed that the Diner should be cut back to three people a side, thus effectively converting it into Mr Haughey's group. We are sticking to the existing format but, to meet Mr Haughey's wishes, I have agreed with Dermot Nally that he and I will have an hour's private discussion before the next Diner. If he insists that this discussion should be expanded, rather than create a new mechanism I would suggest we take the discussion into the Diner.

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Substance

--- 5. I attach a draft of the Speaking Note which I would propose to use with Dermot Nally. As you will see, it picks up the points mentioned by Mr Haughey so that Nally can report that we are taking his ideas seriously. At the same time, it puts the onus for developing the Taoiseach's (deliberately) vague generalisations on Nally and makes the essential points for us politely but firmly.

6. The note confirms:

a. our commitment to see Mr Haughey again in the autumn but without at this stage proposing a date. It would be desirable to take account of the timetable for any renewed talks on political development when agreeing a firm date;

b. that the Prime Minister did not think we could take forward talks about involving Sinn Fein. Since the point is so sensitive for the Unionists our position is confirmed in the body of the Speaking Note.

7. Mr Brooke believes that the Taoiseach was far too sanguine on 21 June about security co-operation. The speaking note brings out that the Prime Minister will want to talk to the Taoiseach again on the subject.

8. In mentioning unity, federalism and joint sovereignty as the options for a solution to the Northern Ireland problem, Mr Haughey was alluding to the new Ireland Forum Report Recommendations of 1984. The Forum met without the Unionists. Some of its analysis was valuable. But the three recommendations cited by Mr Haughey were categorically rejected by the British Government at the time. If the point comes up again it would be desirable to remind the Irish that the starting point must be the principle of the consent of the people of

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Northern Ireland embodied in Article 1 of the Anglo-Irish Agreement, to which, of course, the Irish are just as much parties as we are. (The recent account Mr Mulroney provided of Mr Haughey's thinking reinforces the need to get this point over to the Irish side.)

9. My minute and the Note have been cleared with the Northern Ireland Secretary and the Foreign Secretary. I am sending copies of it to Mr Chilcot (NIO) and Mr Broomfield (FCO).

R.F.B.

ROBIN BUTLER

18 July 1991

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Speaking Note

The Prime Minister has asked me to discuss with you the important issues affecting the totality of the Anglo-Irish relationship raised by the Taoiseach in his discussions with the Prime Minister in London and Luxembourg. We may want to continue the discussion at the Diner itself. I 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. The Prime Minister shares the Taoiseach's objective of a long term lasting settlement for the island of Ireland and a normal co-operative relationship between our two Governments. He believes, as does the Taoiseach, that the talks process is a historic opportunity which we have to grasp. He agrees that we should explore the long-term issues mentioned by the Taoiseach, and looks forward to taking up the discussion freely and privately with the Taoiseach in the Autumn. We can fix the dates nearer the time when we have a clearer picture of the way forward on the prospects and arrangements for fresh talks.

3. It would be helpful if you could begin by setting out in more detail the considerations underlying the Taoiseach's approach. It would be particularly useful if you could give us more insight into the precise institutional, political and legal changes which the Taoiseach is seeking and how these can be harmonised with the current round of talks and the Anglo-Irish Agreement. [Nally to respond]

4. For our own part the Prime Minister believes that the first priority of the British Government for the period between now and the Autumn should be to promote agreement

by all the participants on a basis for fresh talks. He was encouraged by his conversations with the Taoiseach to believe that the Irish Government takes a similar view and agrees with Mr Haughey that we have an opportunity which may not come again. We must be careful to do nothing to derail the process. We think there is a reasonable chance of bringing the internal parties to agree to a further round of discussions in the Autumn after further bilateral exchanges.

5. The Prime Minister believes that the two Governments have a vital role to play in influencing public opinion in a way which keeps up the momentum for fresh talks, and in helping the parties in the Autumn to agree 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.

6. But dealing with the Unionists will not be easy for us or for you. What they will be prepared to accept will depend on the sort of relationship that develops between them and Dublin in Strand II and what we go on to agree in Strand III, using the talks nomenclature. Both Governments can help the process by working for better relationships with all the parties. But the key to ultimate success will be reaching agreement with the internal parties. Attempts to impose our ideas from the top down will not work. Hence the step by step approach we adopted. But it has to be from the bottom up.

7. We cannot deliver the Unionists to any settlement. They are free agents and are no more under our control than they are under yours. But there can be no solution without the consent of the Unionists. The essential point for you

to take away is that unless the Irish Government is prepared to undertake a serious effort to build up the confidence of the Unionists we will never get anywhere. Though we have a common interest there, we cannot do that for you. Therein lies the importance of a North-South component. We agree that, as Mr Haughey has said, we need to keep in close touch about how we handle this Strand.

8. Mr Haughey has spoken about his worry that nothing would emerge from Strand I and II of the talks. The Prime Minister understands his concern, but believes that we must be patient. We think that a good start was made once discussions entered the plenary stage on 17 June. We had identified various common themes. Building on this platform is the best hope for the accommodation that Mr Haughey had spoken of.

9. It is difficult to say with any certainty now what the long term changes arising out of talks on political development would be. We are looking in Northern Ireland for new institutions, greater reconciliation and an end to discrimination. The outcome of the so-called Strands II and III will lay the basis for the future relationship between North and South. The Prime Minister has not ruled out any solution but it would be a mistake to try to impose one now. It would have to come organically with the consent of the main parties. The Prime Minister believes it important that the two Governments maintain their commitment to the principle embodied in Article 1 of the Anglo-Irish Agreement: namely that Northern Ireland's status as part of the United Kingdom should be changed only if a majority of people there consent to that.

10. The Prime Minister was grateful that the Taoiseach in Luxembourg had readily accepted that there was no scope for bringing Sinn Fein into the political dialogue at the present time. Mr Brooke has made it clear that an end to armed activity (and not just a ceasefire) would be a necessary (but not sufficient) precondition before involving Sinn Fein could be contemplated. This is a subject which arouses the most intense suspicions on the part of the Unionists. The slightest hint of any departure from the public position of the two Governments on this most sensitive question would scupper the chances of any talks.

11. When we go into the Diner we might have a word about the main points for discussion at the next bilateral between the Taoiseach and the Prime Minister. The Prime Minister will want to cover a wide range of aspects of the relationship but this is bound to include security co-operation, where there are continuing concerns. We would expect the discussion to cover the principal items on the Community agenda in the run-up to the IGCs, where we have some real interests in common. The Prime Minister will also want to have an exchange on the main international issues at the time (e.g. Iraq, Yugoslavia, Soviet Union, Southern Africa) as well as the follow-up to the Economic Summit.

12. [In conclusion] This was a useful exchange of ideas of the long term future of Anglo-Irish relations. We can report the outcome to our two Prime Ministers who will want to take up the dialogue themselves. I suggest we fix the next round of the Diner on the same basis so that we maintain the confidentiality of the exchanges. Next time we might have a word about the European dimension which will be a crucial element.