PRIME MINISTER

cc Mr O'Donnell

YOUR VISIT TO DUBLIN: 4 DECEMBER

You will be accompanied by Peter Brooke, Tristan Garel-Jones and Sir Robin Butler on your visit to Dublin. The plan is for you and Mr Haughey to have a tete a tete from about 1030 to 1100 followed by talks and lunch. The meeting will conclude with a joint press conference as around 1430.

The main subjects will be the IGCs, the GATT, Northern Ireland and cross-border cooperation.

#### **IGCs**

I doubt if you will want to spend much time on EMU though you will need to describe to Mr Haughey our position on no coercion, budget deficits and monetary financing (no ban in Stage 2). The Irish have given us some support on this last point although our concerns are not identical.

There is somewhat greater scope for getting Mr Haughey to speak up on (more or less) the same side as us on <u>political union</u>. Our views are not dissimilar on <u>CFSP</u>, some aspects of <u>defence</u>, the <u>European Parliament</u>, <u>social</u> and <u>interior/justice issues</u>.

On <u>CFSP</u> the Irish reluctantly acquiesce in joint action and are also reluctant to see QMV for implementing decisions although they have now conceded this point. They may be amenable to the idea of a <u>supreme national interest let-out clause</u>, particularly as the price of acceptance of QMV.

On <u>defence</u>, the Irish want a common defence policy to be only a <u>long-term objective</u>. They do not want the WEU to be described as an integral part of the process leading to European Union. On this they are at one with us albeit from a different standpoint - that of neutrality. Because of their neutrality they want any reference to compatibility with NATO to be dropped or put in a separate declaration. We part company on that and could not accept it.

- 2 -

On the <u>European Parliament</u> the Irish are sceptical about further legislative powers. They share our doubts about accepting the negative assent procedure, with QMV, for <u>research</u> and <u>development</u> and environment.

On <u>interior/justice issues</u> Ireland supports a separate intergovernmental pillar but is prepared to see this merge into a single Community pillar in due course. They are only likely to raise their heads above the parapet on this issue if the pillared structure comes under attack at Maastricht.

on the <u>social chapter</u> the Irish support the principle of subsidiarity. They want working conditions redefined as physical conditions and left under OMV but the rest of the chapter under unanimity. I think this is the main area where you should seek Mr Haughey's support. It would be worth hinting to him that we might in the last analysis live with the chapter headed social policy provided that it did not extend existing Community competence and removed the present ambiguities which the Commission exploits. If Mr Haughey speaks up in your support at Maastricht that may persuade others like the Spaniards and Portuguese to come in as well.

# Cohesion

This is the key subject for Ireland at Maastricht. They have given the Dutch a draft protocol (though they do not know we have seen it) which would be binding on member states and would go much further than we want. You will not be able to offer Mr Haughey much here beyond agreement to the new cohesion chapter in the Treaty (subject to some amendments) and perhaps a non-prejudicial declaration looking forward to next year.

#### GATT

The Irish are back-markers on this subject and you will need to emphasise to Mr Haughey the political need for an agreement and that the Commission negotiators need flexibility.

## Libya

The Irish are soft on Libya which they see as a good market for their beef. You may want to try to stiffen them.

### Northern Ireland

This is the real business as far as Mr Haughey is concerned. will tell you that the failure of the all-party talks earlier this year proves the point which he made to you when you met in May that the all-party approach will get nowhere and the two governments must consider together how to take things forward in the context of "the totality of relationships". He will also argue that PIRA are on the verge of showing the white flag if only the two governments can agree on a statement affirming that they believe the European context provides a framework in which the divisions on the island of Ireland can be brought to an end; that the British Government no longer has a selfish interest in the matter and that the governments support the "coming together" of the people of the island of Ireland. He may propose the  $2e^{t}$ revival of the Anglo-Irish Intergovernmental Council which has the advantage from his point of view that we cannot claim that he is proposing the establishment of a new institution. Further details are in the letter of today's date from the NIO and flag I of the annexes. (161 - security, up with J.

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c/Tolan(A)

The Unionists remain deeply suspicious of all this and you will not be able to give Mr Haughey much encouragement.

On PIRA you will need to say that the crucial question for us is whether any formulation about the future acknowledges, as does Article 1 of the Anglo-Irish Agreement (not to mention UK domestic law) that any change in the status of Northern Ireland would require the consent of the majority of people there. It is most unlikely that the Provisionals could accept that but it is crucial for us.

This subject may also give you a lead in to the issue of cross-

border security cooperation which is covered below.

- En Godine Zune ?

On the wider political issues you will wish to reaffirm our commitment to the Anglo-Irish Agreement but also to the approach set out in the three stranded talks (internal, north-south and inter-governmental). When Mr Brooke met the two Unionist leaders on 21 November they reaffirmed their readiness to engage in continuing political dialogue with a view to substantive progress before our general election. This means that you can say to Mr Haughey that there is still a real possibility of fresh talks before the British general election.

This would require flexibility on the part of the two Governments over the gap in the talks between meetings of the Anglo-Irish Conference. As you know, this was the issue on which the talks effectively foundered earlier this year. The Irish insisted on the schedule being maintained. The Unionists argued that the Irish Government's unwillingness to suspend meetings of the Conference for longer than a few weeks meant that their discussions were cut off in midstream. The fact is of course that the Irish were unhelpful on this issue. They paid lip service to the talks while doing very little to make them succeed. I do not think we need feel much compunction about insisting that they remain the only viable way forward if we are to bring the Unionists with us. ( High kevel for of Oficials,

Cross-border security cooperation

This is the main Anglo/Irish area where we want to get something from Haughey tomorrow. We would like him to agree to:

a dedicated Garda anti-terrorist squad;

a common automatic fingerprint recognition system;

an increase in Garda covert surveillance capacity;

direct Army/Garda radio communications.

money

This last point will not be obtainable but is worth putting in as a discard. The brief suggests that you should propose to Mr Haughey the establishment of a high level official group to consider how these proposals might best be put into practice. Sir Percy Cradock (minute in folder) argues that if we give Mr Haughey that pretext for not taking a hard decision but simply for kicking things into the long grass he will take it and we shall never get decisions. The NIO tell me they have weighed these matters carefully and concluded that faced with a requirement to take a decision now Mr Haughey will refuse. You will want to discuss this with Mr Brooke on the 'plane tomorrow. I doubt if Mr Haughey will reject our approach outright. If he does not you would encourage him to get back to you in the near future with his answer. If, however, you judge that the idea of a high level group is the only way of keeping our ideas alive then it is probably worth offering it at the last.

We also want the Irish to/come good on their commitment to legislate to close the loopholes in their extradition law. / They will press us to put on a statutory basis an existing informal agreement on what is called speciality i.e. the rule that someone cannot be charged or imprisoned for an offence other than the one for which he was extradited. Since our present system works well there is no case for legislation, though Mr Brooke has said that he will consider it. (who while ther)

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The NIO had hoped that we could announce tomorrow agreement to Belfast/Dublin railway line. This seems to be a matter of cost rather than cold feet about the principle. This point is covered in more detail in the NIO letter in the folder.

Joint communique

There are rival British and Irish drafts. It may be necessary

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To way fally Extradition

for Sir Robin Butler and Mr Nally to hammer out a compromise.

I attach material for use at your joint press conference.

I also attach a checklist of points to make.

(J.S. WALL)

3 December 1991

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