PS TO PRIME MINISTER NO 10 DOWNING ST

RESTRICTED
FM DUBLIN
TO PRIORITY FCO
TELNO 577
OF 230915Z DECEMBER 92

INFO PRIORITY NIO(L), NIO(B), WASHINGTON, BIS NEW YORK

MY TELNO 565: FORMATION OF NEW IRISH GOVERNMENT

SUMMARY

1. DAIL ADJOURNS UNTIL 5 JANUARY WITHOUT APPOINTING A NEW GOVERNMENT, WHICH MAY NOT NOW BE FORMED BEFORE WEEK BEGINNING 11 JANUARY. NEGOTIATIONS BETWEEN FIANNA FAIL AND LABOUR TO RESUME ON 30 DECEMBER. SPECULATION ABOUT NUMBER OF CABINET SEATS FOR LABOUR. SPRING APPEARS AT BEEF TRIBUNAL.

DETAIL

- 2. ON 22 DECEMBER THE DAIL MET AND ADJOURNED UNTIL 5 JANUARY WITHOUT APPOINTING A NEW GOVERNMENT. PROPOSING THE ADJOURNMENT, THE TAOISEACH SAID HE COULD NOT GIVE AN ASSURANCE THAT NEGOTIATIONS WITH LABOUR WOULD BE COMPLETED BY THEN.
- 3. THE NEGOTIATIONS BETWEEN FIANNA FAIL AND LABOUR ARE TO BREAK OFF TOMORROW AND RESUME ON 3D DECEMBER. WHILE GOOD PROGRESS HAS BEEN MADE ON SOCIAL ISSUES, NEGOTIATIONS ON THE MORE DIFFICULT BUDGETARY ISSUES HAVE ONLY JUST BEGUN. LABOUR ARE EXPECTED TO DRIVE A HARD BARGAIN OVER PORTFOLIOS, SEEKING PERHAPS SIX CABINET SEATS AS WELL AS THE JOB OF ATTORNEY GENERAL. NEVERTHELESS, A FIANNA FAIL/LABOUR COALITION UNDER REYNOLDS NOW LOOKS VIRTUALLY CERTAIN. LABOUR ARE COMMITTED TO HOLDING A SPECIAL DELEGATE CONFERENCE TO ENDORSE ANY COALITION AGREEMENT. THOUGH THIS COULD BE HELD ON 3 JANUARY, 10 JANUARY IS NOW MORE LIKELY, WITH DAIL APPROVAL OF A NEW GOVERNMENT LATER THAT WEEK.
- 4. ON 21 DECEMBER SPRING GAVE EVIDENCE TO THE BEEF TRIBUNAL. HE ADMITTED THAT SOME OF THE ALLEGATIONS HE HAD MADE IN THE DAIL AGAINST GOODMAN AND FIANNA FAIL HAD BEEN EITHER FALSE OR UNFOUNDED, AND REPEATED HIS REFUSAL TO REVEAL HIS SOURCES. BUT HE AVOIDED FURTHER CRITICISM OF FIANNA FAIL OR REYNOLDS PERSONALLY. THE TRIBUNAL HAS NOW ADJOURNED UNTIL 12 JANUARY, PENDING THE OUTCOME OF THE ATTORNEY GENERAL'S CHALLENGE TO THE TRIBUNAL RULING THAT DEPUTIES ARE ENTITLED TO PARLIAMENTARY

PAGE 1
RESTRICTED

PRIVILEGE IN REFUSING TO DISCLOSE SOURCES.

COMMENT

5. LABOUR'S WILLINGNESS TO GET INTO BED WITH FIANNA FAIL, WHOM THEY ATTACKED VIGOROUSLY DURING THE ELECTION CAMPAIGN, HAS PROVOKED MUCH IRONIC COMMENT AS WELL AS DISMAY: THOSE WHO VOTED LABOUR IN THE EXPECTATION OF NEW CLEANER POLITICS AND A RAINBOW ALTERNATIVE TO FIANNA FAIL FEEL BADLY LET DOWN. FOR THE MOMENT SPRING LOOKS ACUTELY UNCOMFORTABLE.

BLATHERWICK MITHIOGRA THONTIN YRAUNAL & JITHU SURBOLBA JIAG

14 JAHUARY, REGOTIATIONS BETWEEN FIANNA FAIL AND LABOUR TO RESUME ON SE DECEMBER. SPECULATION ABOUT NUMBER OF CABINEYRY

SEATS FOR LABOR. SPRINGITURISTIC TRIBUNAL.

GOVERNMENT, WHICH MAY NOT NOW BE FORMED BEFORE WEEK BEGINNING

ON 22 DECEMBER THE DAIL MET AND ADJOURNED LOGIL 5 JAHLNIAM

LEGAL ADVISERS

3. THE NEGOTIATIONS BETISHIN FIANNA FAIL AND LABOUR ARE TOUGH

MORE DIFFICULT SUDGE SUGN SUES HAVE ONLY TUST BEGUN (I) DOS

AGREEMENT. THOUGH THIS COULD BE HELD ON 3 JANUARY, 10 JANUARY

WITHOUT APPOINTING A NEW GOVERNMENT. PROPOSING THE NORTHERN IRELAND TO CAUCO 3H GIAZ RAD //MR HALLETT & MS HANCOCK THAT NEGOTIATIONS WITH DMR WOULD SE COMPRETED BY THEN. DIR

LATER THAT WEEK.

SCD

INFO D D D SIGHW AREMS ON SO DECEMBER. WHILE GO D ONI

INFO D//INT SECT 0000 200021 JAIDO PS/MR GAREL-JONES 3200000

ARE EXPECTED TO MASSISS TO MASSISS OF THE CLERK OF THE CARE DON'T THE CARE TO MASSISS OF TH

PERHAPS SIX CARINUADITA RISAS WELL AS THE JOB OF ATTORNED SWAN SERERAL. MEVERTHINOTZIA SM IANNA FAIL/LABOUR COALITION UN DOTA

PLANNERS NOT BRA RUGGAL MIATRED Y MR GREENSTOCK WOM EGJONYER HOLDING A SPECIAL DELEGATE CONFERENCE TO ENDORSE ANY COALIUJA

IS NOW MORE LIKELY, WITH DAIL APPROVAL OF A NEW GOVERNMENT ADDITIONAL

ON 21 DECEMBER SPRING GAVE EVIDENCE TO THOMASSAI MASHTRON HE ADMITTED THAT SOME OF THE ALLEGATIONS HE HAD MADE IN THE

DAIL AGAINST GOODMAN AND FIANNA FAIL MAD BEEN EITHER FALSE DR

UNFOUNDED, AND REPEATED HIS REPUSAL TO REVEAL HIS SOURCES. BUT HE AVOIDED FURTHER CRITICISM OF FIARNA FAIL OR REYNOLDS NANA PERSONALLY. THE TRIBUNAL HAS NOW ADJOURNED UNTIL 12 JANUARY,

PAGE RESTRICTED