

PRIME MINISTER

MEETING WITH THE TAOISEACH; FRIDAY 25 SEPTEMBER

You are meeting Mr Reynolds at 12 noon for half an hour of private conversation (with Dermot Nally and me present as notetakers) followed by lunch from 1230 to 1430. The cast list is attached.

Tête-à-tête

In the private meeting Mr Reynolds will want to press the case for a Joint Declaration by the British and Irish Governments leading, as he will argue, to PIRA abandoning the armed struggle. John Hume is talking of coming forward with a new draft. A common feature of all the drafts up to now has been the suggestion that we will work to bring about a united Ireland. You will need to make clear that that is not on (see speaking note in the pack).

Lunch-time Discussion

Over lunch you will need to talk about Anglo/Irish issues and EC issues.

Anglo/Irish Issues

The meeting is taking place on the understanding that the Irish have agreed and will announce a six week postponement of the Intergovernment Conference. We have suggested Friday 13 or Monday 16 November. Since the next meeting was due to take place some time next week, we cannot technically argue that six weeks takes us beyond Friday 13 November. If you can get the Taoiseach to agree on Monday 16 November well and good.

The brief contains a draft communique which has not, so far as I know, been shown to the Irish.

The main points you will need to cover are

Wek. 11th
Green Wing (don't surrender Art. 2+3, every one else (an aspiration) only.

Talks can go

- i. The next IGC: Friday 13 or Monday 16 November
- ii. Security co-operation.
- iii. Confidence issues.

There's that 2.7

There are flagged speaking notes on all of these.

EC Issues

The main aim here will be to get Mr Reynolds on board for our conception of the special summit on 16 October. You may wish to describe for the Taoiseach the parliamentary difficulties on Maastricht we face and our ideas on making a reality of subsidiarity.

The scene setting telegram from Dublin suggests that the Taoiseach will press for the early return of sterling to the ERM. You will wish to say:

- i. There can be no question of our resuming membership until the current tensions within the foreign exchange markets have subsided.
- ii. We need a proper review of the whole way in which the ERM works (intervention rules, co-operation procedures and the obligations the ERM places upon those currencies at the top and the bottom of their ERM bands).
- iii. We need the Germans to be in a position where they can bring their interest rates down to levels which are compatible with sustained non-inflationary growth in the UK.

The Taoiseach may also want to know how we propose to handle future financing. You may wish to confirm that it is still

our intention to seek an agreement at Edinburgh but that in the present climate of recession there is little appetite for expensive settlements.

Sarah Box
Duty Clerk

PP J.S. Wall
24 September 1992

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"The Prime Minister and the Taoiseach will meet in London on Friday 25 September in preparation for the Special Summit called by the British Presidency on 15 October. They will review progress in the Round Table talks on Northern Ireland and other matters of bilateral interest."

Background

It asked why the meeting has been fixed up at short notice, you could say that a Summit had been due this autumn. The Prime Minister has been in touch with the Taoiseach and they agreed that this was a good moment to meet, both to prepare for the Special European Council and to discuss other issues.

(The confidential) background is that a meeting of the Inter-governmental Conference under the Anglo-Irish Agreement was due to take place next week. Had the meeting gone ahead, the Prime Minister would have walked out of the Northern Ireland talks. The Summit this week is instead of a meeting of the Inter-governmental Conference next week, but the Prime Minister and the Taoiseach will need to agree and approve the agenda of the next session of the IGC.