PRIME MINISTER'S TALKS WITH MR REYNOLDS: 16 JUNE

TALKING POINTS

NORTHERN IRELAND

Political Development

- I am clear that we must determinedly pursue, and see if we can intensify, a Talks process which continues to address all the key relationships (not a Northern Ireland internal settlement in isolation) and involves the main constitutional political parties in Northern Ireland.
- I know that you, too, are committed to this. We cannot have a political vacuum. The terrorists would be the first to benefit. I continue to think that a US peace envoy would be at best ineffective and at worst counterproductive.
- The going has been difficult. The Northern Ireland Secretary is continuing his bilateral contacts with the Parties (and will give fuller details of these). The Ulster Unionists were discouraged by the local election results. Molyneaux still sees the objective of last years's talks as valid, but is not ready to get into a new round yet. Hume has confirmed his support for talks, but is pursuing his contacts with Adams. The Unionists will not join formal talks while these continue. Paisley has not yet agreed to a meeting, but we are pressing him to do so.
- The British Government is faithful to the groundrules of 26 March 1991. We would certainly lose months if we tried to renegotiate them from scratch. But we know that Molyneaux is reluctant to return to what he calls "the high wire act". So we may need to be open to format changes.

- It is frankly uncertain whether we could succeed at the moment in getting everyone back around a single table, even if we both gave a push at Head of Government level. I think we should concentrate over the next few weeks on determined efforts to reinforce the process, encourage the parties to talk to each other more, and to do so more flexibly. It is certainly realistic to aim to get all the players back into negotiations.
- I am encouraged by the recent work between the British and Irish Governments on the substance of our own respective perceptions of possible overall outcomes which all would accept. It would be very valuable to continue this work. We are developing our ideas in the light of contacts with all participants. We particularly hope that the Irish side will be able to brief us about how they see such an outcome as fully as we have briefed you.
- While we can seek the maximum agreement between each other, it would be fatal to take the further step of working up a joint scheme.
- We know that, irrespective of its content, the Unionists would reject this as a rerun of 1985.
- I know that you look for "constitutional balance", but we have little room for maneouvre. Both of us accept the consent criterion: ie Northern Ireland's position as part of the UK should only be changed with consent of the people living in NI. See no prospect of joint authority securing that Consent. Nor will HMG tilt to "join the ranks of the persuaders", by indicating a preference for a united Ireland. But the Talks process as a whole, including a continued IGC between us and strong North/South institutions with a wide and dynamic mandate, offers much to all.

- We plan to continue, and if possible intensify, our bilaterals with the parties. Michael Ancram will have an introductory round. Sir Patrick Mayhew will build on the work he has already done with the leaders.
- Both Governments should encourage greater contact between the parties. Jim Molyneaux and John Hume have both indicated to Sir Patrick Mayhew that they would be prepared to talk to each other in private, and we should encourage this, although there are limits to how far this can go while John Hume is still in dialogue with Gerry Adams.
- As co-sponsor of the Talks process you could help in a number of ways:
- continuing to develop your own ideas on an overall outcome acceptable to all the participants
- encouraging the SDLP to be more flexible over externally selected commissioners and the Seamus Mallon security agenda
- encouraging the SDLP to talk to the other parties and to the UUP in particular, and as fully as any continuing dialogue between John Hume and Gerry Adams allows
 - continuing to reach out to the Unionists, including through going as far as you can in what you say about readiness to amend Articles 2 and 3 as part of the satisfactory overall package. It would have a considerable effect if you yourself could confirm what Dick Spring said about this in his speech of 5 March (extract in Annex).

Extract on constitutional change from the Tanaiste's speech to the Irish Association on 5 March, during which he spoke about the Irish Constitution:

"Let me make my own position clear. I have never argued that Articles 2 and 3 of our Constitution should remain as if cast in bronze, incapable of change. Rather I have argued that they should be seen as what they are - or, rather, what they were intended to be - part, and only part, of the constitutional description of our nation.

We cannot approach change to our constitution casually or lightly. The issues go far too deep for that. However the Constitution was never intended to be an obstacle to mutual understanding on this island and our people would never wish it to be so. If in a new situation there is need — as I expect there will be — of a changed approach to reflect and butress a new level of understanding, I believe our people will readily be persuaded to endorse change, provided they are satisfied that it does truly serve that purpose".

Further on in his speech Mr Spring spoke with confidence about how he would expect people in the Republic to respond to constitutional change. He said that

"The elected leaders of the Unionist and Nationalist traditions could make a new Agreement, a Covenant, as it were, for our time, this time representing <u>all</u> Irish people, and guarantee that, whatever the circumstances, there will always be full respect and fair dealing between us on this island.

We could agree certain fundamental principles to govern all future relationships and entrench them beyond the reach of all changes in regard to sovereignty. Can we not devise institutions between ourselves to translate such pledges into action and oversee their implementation, so that the possibility of change is freed as far as possible from the many extraneous fears at present associated with it?

There are possibilities here which far transcend the issue of Articles 2 and 3, and which, if we were to work them through open dialogue, would render <u>certain</u> that the people of this jurisdiction would accept the changes to our Constitution which would arise as one of the necessary ingredients in a new agreement between us".

Security Cooperation

- Terrorism poses <u>continuous challenge</u> throughout these islands. Appreciate the <u>considerable resources</u> which Republic puts into countering it, but believe we <u>must improve security co-operation</u> even further.
- I discussed some <u>specific prooosals</u> with Mr Haughey at the Summit in December 1991 and with you at our February 1992 meeting.
- The key requirement to defeat terrorism is better intelligence. For PIRA, this must clearly apply north and south of the Border. In the north, the RUC have had considerable though certainly not total success in this area. The way they are organised plays a big part in this. I believe it would be valuable for the Irish authorities to examine how the RUC are structured to obtain and exploit intelligence. I recognize the arguments against imposing an anti-terrorist squad on the existing Garda in the Border area. But there may well be subtler and less visible ways of achieving greater regional effectiveness:
- Know that the <u>official group</u> co-chaired by John Chilcot (PUS, NIO) and Timothy Dalton (Permanent Secretary, Department of Justice) is working through an important agenda of cross-border issues such as this and will meet again soon;
- The continuing work of this group demonstrates the very high priority we both give to improving security co-operation. Would like the group, as well as reporting to the Intergovernmental Conference, to come to us directly on any unresolved differences on security co-operation proposals. We could then discuss these

Extradition

Very pleased that the Irish Government will shortly be introducing legislation to deal with problems that have arisen in past extradition cases. Look forward to discussion of this: believe that officials are to meet soon. Grateful also for Irish assistance in recent cases, and the arrest of <u>Ouinlivan</u> and <u>McCaulev</u> (IRA escapers from Brixton). We are at one in believing that terrorists should not be able to claim a political defence for their crimes.

EC ISSUES

Economic Growth and Employment

- UK fully committed to Edinburgh principles on promoting economic recovery. Welcome follow-up work in ECOFIN. Hope Copenhagen will be able to build on what ECOFIN has achieved.
- Aware that ECOFIN has made progress with the remit from Edinburgh to consider measures to improve functioning of labour markets. Hope that Copenhagen will acknowledge this.
- Can agree to further Commission study, with focus on competitiveness in world markets and improving functioning of labour markets. Must avoid measures which hold back EC companies and hamper job creation. Important for ECOFIN to be given appropriate role in follow-up work.
- Hope we can keep Commission to their word (at ECOFIN) that they will bring forward no new spending proposals.

[If Raised: Do not accept that lower forecasts for EC growth justify reopening Edinburgh expenditure ceilings. Like national Governments, Community must live within its means.]

Proposed Autumn European Council

- An ill-timed proposal. Sceptical about the value of a Special European Council in the autumn. But recognise that if it gathers sufficient support from other Member State, it will go ahead.
- Will not object, provided that agenda for meeting sticks to practical issues such as <u>implementing Maastricht</u>, taking forward <u>enlargement</u>, <u>relations with East and Central Europe</u>.
- But do see serious risks in a Summit that tries to re-open Maastricht, or to anticipate the 1996 IGC. That would simply re-open divisions in the Community. Does not, however, appear to be what Germans and Belgians have in mind.
- If subject comes up at Copenhagen, will insist that agenda for any special European Council concentrates on practical, operational issues listed above.

GATT

- Welcome confirmation of Peter Sutherland's appointment as GATT Director-General (by unanimous approval of GATT contracting parties on 9 June). The right person to steer the Uruguay Round to a successful conclusion.
- Encouraged by renewed commitment shown by main GATT negotiating parties. Hope we will see an outline market access package agreed by Tokyo.
- Not convinced of value of detailed discussion at Copenhagen: several more pressing issues deserve our attention. But Council conclusions should offer support and encouragement to Commission and a positive impulse to the negotiating process.
- (<u>If necessary</u>) Important not to give wrong signals to other parties in the negotiations at possibly crucial stage in market access discussions. Commission need negotiating flexibility if

they are to secure best outcome for the Community: appearing to question their approach could fatally undermine their credibility.

- (<u>If Mr Reynolds raises GATT agriculture agreement</u>) Believe Commission assumptions are reasonable, and that Blair House <u>is</u> compatible with CAP reform. Recognise particular problems with beef: but these stem from inadequate reforms to date. Blair House will not make them worse. In any case, should not view agriculture agreement in isolation, but as part of overall Uruguay Round settlement, from which we all stand to gain.

Openness but of this year. At absolute minimum, work is the

- Good progress in Danish Presidency: opening up Council debates to TV cameras, better pre-Council background briefing of press, getting agreement on guidelines on the quality of drafting of Community legislation.
- Believe all these points should be included in Copenhagen Conclusions. Should also note Commission's efforts, eg making greater use of Green papers to consult on legislative proposals. Conclusions should say something positive and practical about openness in Commission and Council.
 - Important that we keep up the momentum set by Birmingham and Edinburgh Councils. Will need to encourage Belgian Presidency to hold reasonable number of open Council sessions.

Subsidiarity

- Keen that Copenhagen European Council is seen to make progress on subsidiarity. Important to demonstrate to people of Europe that subsidiarity has practical effects.
- Understand that Delors thinking of presentation on process since Edinburgh, and looking forward to substantive discussion already commissioned for Brussels summit on legislation to be amended or withdrawn. His

presentation could provide opportunity for discussion at Copenhagen, perhaps at the end of Monday afternoon.

- Will also need good conclusions language, to reflect what Delors says. Hope it can include some examples of legislation to be amended or withdrawn.

Enlargement

- Copenhagen should build on useful progress made at the Ministerial meeting with the applicants in margins of last week's FAC. Must break back of negotiations in second half of this year. At absolute minimum, conclusions language should stress need for decisive progress under Belgian Presidency.
- A target date for accession will keep all those involved in negotiations up to mark. Conclusions should refer to aim of accession by 1 January 1995 (even if we think it may be difficult to achieve).

Structural Funds

- Have an ambitious timetable to reach agreement on revision of the Structural Funds. Important we get it right since large sums are involved and this will be last chance before 1999;
- Do not expect European Council to discuss substance of revision;
- Would expect Ireland to benefit substantially from financing of structural funds agreed at Edinburgh;
- Welcome cooperation between Northern Ireland and the Irish Republic on local structural fund planning;
- Objective 1 status for Merseyside and the Highlands and Islands of Scotland of very important for the UK.

Russia

- Disappointing that negotiations for a Partnership and Cooperation Agreement (PCA) could not be concluded in time for Copenhagen European Council. But better to have a good Agreement than a rushed one. Community has already shown considerable flexibility. Russians must now reciprocate.

Central and Eastern Europe (CEE)

- Close to agreement on Commission's proposals for strengthening relations with CEE following last week's Foreign Affairs Council.
- CEE expectations high. Copenhagen should send a clear, positive and welcoming message to CEE.
- Trade liberalisation measures modest. Vital for CEE that these should not be watered down further.
- Expect French to raise their initiative on peace and stability in Europe at European Council. Interesting but should not be allowed to upstage Commission's proposals.

Sudan

- Grateful for the effort which the Irish Government has exerted to mobilise international concern at the humanitarian crisis in Sudan.
- Your Minister for Development Cooperation made an important visit to Sudan including the South in April. Helped focus Partners' attention on the crisis. EC Troika Humanitarian mission going to the region tomorrow.
- Have urged others to increase pledges for humanitarian aid. We are ready to do more.

- Vital that we keep up pressure on the Khartoum régime and the SPLA factions to engage seriously in peace negotiations. Must also keep pressure up on Khartoum on human rights: hope UN Special Rapporteur on human rights can visit Sudan soon.
- EC action helped secure appointment by UN Secretary-General of senior coordinator for Sudan. Remit primarily humanitarian. But hope that he can also further the peace process.
- [If raised] Have not ruled out recourse to the UN Security Council. But do not consider that we have reached that stage yet. Must see how present Nigerian initiative fares.

Somalia/Peacekeeping

- HMG deeply regrets all loss of life in Somalia and condemns those warlords who provoked recent events.
- Welcome SCR 837. Essential that anti-UNOSOM activities by Somali warlords brought under control. FAC statement also welcome.
- Welcome Un announcement to investigate tragic shooting of Somali demonstrators on 12 and 13 June.
- Imperative that a stable security situation exists in oprder that rehabilitation and reconstruction efforts can continue.
- Recognise Ireland's extensive and consistent contributions to Un operations and the professionalism of Irish troops and civilian police.

- Very much welcome moves in the Dail to allow participation of Irish forces in UN Peacekeeping operations with an enforcement mandate. Wish you every success.
- Massive growth of UN Peacekeeping over last four years. 10,000 UN peacekeepers deployed at beginning 1992; 56,000 by beginning 1993, almost 100,000 by end 1993.
- But indications that international community is reaching ceiling of willingness (and ability) to contribute forces.
- Know that UN would welcome further Irish contributions. Have heard that Ireland may be considering sending troops to Cyprus to bolster UNFICYP. If true, a very welcome development. Would welcome any further information.