

SECRET - PERSONAL



FAXED

10 DOWNING STREET
LONDON SW1A 2AA

S 64198

From the Principal Private Secretary

27 March 1998

Dee Puddy,

STRAND 2

We have looked at your proposed re-draft on the Chapter on the North/South Ministerial Council. I fear it has significant problems.

At one level, the basic framework of your proposals is not far from that set out in the draft I sent you. However, as I have said, Unionists are not signed up to the ideas in that draft. In general the changes that you have made, and the significant elaboration of our proposals, convey a strong impression of the Council as an autonomous decision making body, meeting almost weekly, with its own expenditure and sources of finance, and a European Commission-like Secretariat. It is hard to see how this can be made acceptable.

Specific points of concern:

- a) the proposed new general affairs format which will be viewed with suspicion by Unionists;
- b) the language on accountability and the constraints on decision making which has become much more vague. This is an absolutely crucial point, where clarity is essential;
- c) the implication of a free standing secretariat with an autonomous life of its own;
- d) the removal of any reference to the Inter-Governmental Council;
- e) The bluntness of the formulation about Westminster legislation establishing the body, a point of particular neuralgia for Unionists who resist a "legislative cage".

SECRET - PERSONAL

SECRET - PERSONAL

- 2 -

As you know, we are continuing discussions at this end. We should be in touch again after that to see how to take forward the text.

Yours ever

A handwritten signature in black ink, appearing to be 'John Holmes', written in a cursive style.

JOHN HOLMES

Paddy Teahon Esq

SECRET - PERSONAL