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ROINN AN TAOISIGH

Uimhir.....

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Meeting between the Taoiseach and Prime Minister Major

The Taoiseach met the Prime Minister in Admiralty House on Friday, 25th September. The meeting began, as a tete-a-tete, with one note-taker present on each side and was continued, in plenary, over lunch, where the attendance included Minister for Justice Flynn, Secretaries Dorr and Brosnan, Assistant Secretary O hUiginn, Ambassador Small, and the under-signed. The Prime Minister was accompanied by Secretary of State Mayhew, Minister of State Garel-Jones, Cabinet Secretary Robin Butler, Secretary of the Northern Ireland Office, John Chilcot, Ambassador Blatherwick and Private Secretary Stephen Wall. The tete-a-tete lasted almost an hour; and the lunch for nearly an hour and a half. This note is concerned only with the tete-a-tete.

The discussion opened with a question from the Prime Minister as to how things were politically, at present.

Taoiseach: Well, we have another referendum to hold in November; and, of course, the currency changes do not help us a lot at the moment.

Prime Min.: Yes, I understand that you made some changes in exchange controls.

Taoiseach: No, we have been mis-reported on that. The position is that the last remaining exchange controls are due to go on 31st December. That has always been our position. We did not make any change in the controls in the recent currency turmoil.

Prime Min.: Oh - I owe you some form of apology then. I am afraid I misquoted what had happened in my speech yesterday. I doubt if we could do anything similar for sterling which is a very widely-traded currency.

Taoiseach: What happened was that traders sold Irish currency which they did not possess. When they then went to buy the currency, to fulfil their contracts, they found that they could not get it, except at extraordinarily high interest rates. They were put in an impossible position. Our Central Bank relented and permitted them to borrow in the Dublin market for one day and this let them off the hook.

We really do need some mechanism to prevent currencies from coming under this type of attack. We need a WEU on the financial side.

Prime Min.: I'm not sure if we could really achieve anything. There is so much money about in the Channel Islands, in Bermuda, Switzerland and other places -

Taoiseach: Yes, you will remember what happened to the proposals for the introduction of a DIRT or withholding tax in the Community. It foundered just because of these considerations.

*hmc
20.9.92
N. Kilgallon
29/9*

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Prime Min.: If it is alright with you, I would propose to deal over Lunch with:-

- (1) the Northern Ireland talks;
- (2) confidence-building measures in Ireland; and
- (3) Europe.

I am grateful to you for taking my call at such short notice (a reference to the telephone conversation between the Prime Minister and the Taoiseach earlier in the week.)

At the pace the Northern Ireland talks are going, they will not reach a solution for a long time. That really is what Hanley was saying - and certainly not by the end of November. It is possible though, that we could have Heads of Agreement by then, if we accelerate the pace. We could agree to fix the date for an IGC and have Heads of an Agreement before then.

Taoiseach: My position is that we had, on the morning you phoned, a long discussion at Cabinet where we had agreed our position. We all accepted that we could not be seen, in any way, as selling out on the Anglo-Irish Agreement. Many of the attitudes of those in the talks do not seem to show much logic but I suppose it would be too much to expect that in relation to Northern Ireland.

We can agree to a six weeks delay for the Inter-Governmental Conference but the date for the meeting must be fixed and must be immutable. If the Unionists have to be pushed, then they have to be pushed. We just cannot allow the credibility of the Conference to be destroyed.

There are different evaluations of the talks: they are certainly useful in that they got people together but it is not at all certain where they are going now. Do we create a majority between the SDLP and the official Unionists? I do not know if that is what is evolving. Paisley could well say "I was not part of the talks" and set about trying to destroy what is agreed, if anything. He would then seek to start the whole thing all over again.....

Prime Min.: I think we have a good chance of getting Heads of Agreement in six weeks. I am also certain that if a meeting of the IGC is held now, there will be a breakdown. Paddy Mayhew thinks that the Heads of Agreement can be drawn up in that time. I must accept the judgement of my Secretary of State and take the political realities into account. He says that if there is no extension, there will certainly be a breakdown and the Unionists and - everybody else - will use it as a stick to beat us with. I think against this background it is well worthwhile going the extra mile.

Our meeting shows that the Anglo-Irish Agreement is alive and well and we will have no problem about saying that.

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- Taoiseach: That is very important.
- Prime Min.: If Paisley or anyone else attacks you or me, we can say that we have twice deferred a meeting of the IGC in order to facilitate the talks: that is a defensible line.
- Taoiseach: Let's agree six weeks then. We could also look at where we are going. The Anglo-Irish Agreement is there and will stay. I know the Unionists don't see it that way but that is our basic position.
- Prime Min.: We will get the Heads of Agreement together. Paddy Mayhew sees them developing something like this:-
- (1) new political institutions in Northern Ireland, on a statutory basis;
 - (2) permanent North/South institutions, maybe developing executive powers, over time;
 - (3) building on the 1985 Agreement, with rights of consultation between the Irish and British Governments; and
 - (4) an unambiguous consensus on constitutional issues.
- Taoiseach: The last one is certainly where false hopes could arise.
- Prime Min.: You need twin references?
- Taoiseach: I won't put it to the people otherwise. ^{Unionist} consensus will not carry a referendum. That means that nationalists would have to consent formally to partition.
- Prime Min.: We can go back to the Peter Brooke speech about Britain having no selfish interest in Northern Ireland and saying that if a majority there wish for Irish unity, or consent to it, then we will facilitate it. But we cannot be persuaders. What we can say is that we have no selfish interest. We could not say "encourage": we couldn't and we wouldn't say that we would encourage them to leave. Think of what happened in the Falklands. You cannot have a British Government persuading British citizens to go out of the United Kingdom.
- Taoiseach: But compare what you were saying in the 1920 Act. The British Government then came out strongly in favour of the ultimate desirability, for them, of a united Ireland. You did not go that far even in 1985; and the Agreement then was framed in such a way as not to bring into question Articles 2 and 3 of our Constitution.
- Prime Min.: No British Government, not even a Labour Government, could go out and tell them to go. We could, perhaps, have the attitude of benevolent onlookers.

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Taoiseach: This is where the whole idea of "unambiguous consensus" could worsen the whole situation.....

Prime Min.: Consensus is for the people of Northern Ireland both Nationalist and Unionist.

Taoiseach: The Unionists are trying to reverse the whole position. I think it would be well to leave this whole issue to one side if we wish to end up with success. This constitutional question is the substance of the problem. Articles 2 and 3 were put into the Constitution for very good reasons - and with them Article 29, binding the Irish Government to seek the peaceful settlement of international disputes.

The Taoiseach then went on to describe the basis for Articles 2 and 3 and Article 29 and the Prime Minister asked that they should talk informally, without commitment, and without notes. At the end of these informal exchanges, the Prime Minister seemed to be thinking of a formula which would say that if circumstances came about in a particular way, perhaps the Irish Government could say that they do not see why Articles 2 and 3 should not be changed. The Taoiseach questioned the circumstances the Prime Minister had in mind. Really what the Unionists were at was the modification of Articles 2 and 3 and the destruction of the Anglo-Irish Agreement. We could go along with neither proposition.

There was then some discussion on security, which the Prime Minister said had been better than it had ever been and he expressed his appreciation of the quality of the cooperation.

After some discussion, 16th November was agreed as the date for the next meeting of the Inter-Governmental Conference. The attached communique was issued after the meeting - its terms were agreed over the lunch.

Dermot Nally
29th September, 1992.

Secretary Dorr ✓ Assistant Secretary O hUiginn ✓ Department of Foreign Affairs.
Secretary Brosnan ✓ Department of Justice.
Ambassador Small ✓

MEETING BETWEEN THE TAOISEACH, MR ALBERT REYNOLDS TD
AND THE BRITISH PRIME MINISTER, THE RT HON JOHN MAJOR MP

1 The Taoiseach and Prime Minister met in Admiralty House, London, on Friday, 25 September 1992. The Taoiseach was accompanied by the Minister for Justice, Mr Padraig Flynn TD, while the Prime Minister was accompanied by the Secretary of State for Northern Ireland, Sir Patrick Mayhew MP, and by the Minister of State at the Foreign and Commonwealth Office with special responsibility for European Community Affairs, Mr Tristan Garel-Jones MP. They discussed a range of issues including European Community matters, particularly preparation for the special meeting of the European Council to be held on 16 October, progress in the three-stranded Talks on Northern Ireland, the Anglo-Irish Agreement and other matters of bilateral interest. The meeting lasted about 2½ hours.

2 There was a full discussion on the prospects for ratification of the Treaty on European Union and the wider agenda of continuing Community business to be taken forward under the British Presidency. The Prime Minister and the Taoiseach agreed that the Community should also press ahead with other vital business, including the completion of the Single Market and of the negotiations on the financing of the Community and preparations for enlargement.

3 The Prime Minister and Taoiseach reviewed progress in the current political talks in relation to Northern Ireland. The two Heads of Governments re-affirmed their commitment to achieve

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progress. They recalled that the Northern Ireland parties were committed to participate actively and directly in the North-South discussions.

4 They confirmed their commitment to the full implementation of the Anglo-Irish Agreement, including the principle of regular and frequent Ministerial meetings in the Anglo-Irish Inter-Governmental Conferences. They also re-affirmed their readiness to consider a new and more broadly-based agreement or structure if such an agreement can be arrived at through direct discussion and negotiation between all the parties concerned.

5 ~~To enable the necessary urgent work to proceed without interruption,~~ they agreed to a second and final extension of the interval between Inter-Governmental Conferences. The next meeting of the Inter-Governmental Conference will take place on Monday, 16 November.

6 The Taoiseach and Prime Minister reviewed other matters of mutual concern and noted that a wide range of contacts continued between the two Governments at all levels.