

*Mal Cox  
to see & file  
27/6*



HEAD OF DIVISION  
23 JUN 1987  
POB-NIO BELFAST

*Mr Tefell  
AD 23/6  
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23/6  
for Anglo-Irish file ll  
ADT-24/6/87*

PRIME MINISTER

THE EUROPEAN COUNCIL ON 29/30 JUNE - MEETING WITH MR HAUGHEY

You will be meeting Mr Haughey in the margin of the European Council in Brussels. This will be your first meeting since he was elected Taoiseach in March. It will not only set the tone for the conduct of Anglo-Irish relations over the next few months, but will also affect the success of our efforts to bring the constitutional parties in Northern Ireland, including the SDLP, into dialogue both with us and with each other.

2. The meeting will inevitably be fairly short, and because of this I suggest that in relation to Northern Ireland it might concentrate on:

- i. re-establishing a constructive relationship with Mr Haughey;
- ii. reminding Mr Haughey of our continuing concern that his country should contribute more to the defeat of IRA terrorism;
- iii. confirming our willingness to stand by the Agreement.

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3. Despite Mr Haughey's attitude at the time of the Falklands conflict, the current 'Anglo-Irish process' (as Fianna Fail Ministers term it) was, in effect, inaugurated by you and him at your two summit meetings in 1980, leading to the establishment of the Anglo-Irish Intergovernmental Council and ultimately, to the Anglo-Irish Agreement which you and Dr FitzGerald signed in 1985; and Mr Haughey has in practice shown himself willing both to work the Agreement and to be tough on terrorism.

4. If Anglo-Irish relations are to develop, and more progress is to be made in such vital areas as cross-border security co-operation, it is essential to create a positive relationship with Mr Haughey. Otherwise, there is a risk that his instinctive Republicanism and reservations about the Agreement will again come to the fore.

5. There are clear indications that Mr Haughey will respond favourably to an approach which is based on resuming relations on a cordial basis, and common interest. He faces considerable domestic problems, having inherited a difficult economic situation demanding drastic decisions, which he is taking. Partly as a result he has, as you know, shown himself to be much more pragmatic as Taoiseach than when he was in opposition, and, in contrast to earlier rhetoric, has committed his Government to fulfilling and operating the Anglo-Irish Agreement. Also, while he retains personal reservations about its constitutional implications, he has publicly accepted that the Anglo-Irish Agreement is a binding one which could be amended only by mutual agreement, of which there is no realistic prospect. He will not wish to add to his considerable domestic difficulties by being seen to oppose progress in the North, which for the moment represents for him a lesser priority.

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6. While Mr Haughey is unlikely to be sympathetic to the prospect of devolution in Northern Ireland (which he continues to regard as a "failed political entity") and may still want to propose at some stage an all-Ireland constitutional conference, the Irish seem to share our disquiet that the Unionists are not playing a positive role in Northern Ireland, and understand that with the election out of the way we will want to encourage dialogue with the Unionists, including dialogue about devolution; the Irish will however, look to us to keep in close touch with them on this - and we may need their co-operation, not least in reinforcing our efforts with the SDLP.

7. On security matters, Mr Haughey and his Ministers have shown if anything greater resolution than their predecessors; but despite an evident will to defeat terrorism, they do not yet fully appreciate the scope of the problem, and face severe resource constraints. We have a major training/education job to do, not just with policemen but politicians as well to get them to understand what it is really all about, particularly in the field of intelligence. We have started with Lenihan and Collins (Minister of Justice) and I am glad to have John Stanley's help now in this as well. I think you should raise it also with Mr Haughey, but since it is a sensitive area with the Irish, we should not criticise at this stage, but rather make clear our deep concern to pursue any means to make security more effective on both sides of the Border. In particular, I would not get into the difficult areas like three judge courts, extradition, reforms of the RUC or the Birmingham/Guildford cases.

8. It will be important for the right signal to emerge from such a meeting, and important therefore to reach provisional agreement in advance with the Irish about a short press statement. The Ambassador in Dublin has therefore been asked to discuss a draft with Dermot Nally.

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9. I am copying this minute to Geoffrey Howe, and to Sir Robert Armstrong.

*TK*

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18 June 1987

cc:	PS/SofS (L&B)	M
	PS/Ministers (L&B)	M
	PS/PUS (L&B)	M
	PS/Sir K Bloomfield	M
	Mr A W Stephens	M
	Mr Burns	
	Mr Chesterton	M
	Mr Elliott	M
	Mr Spence	M
	Mr Innes	M
	Mr Steele	M
	Mr J McConnell	M
	Mr Blackwell	M
	Mr Shannon	M
	Mr McClelland	M
	Mr Wood	M
	Mr Bell	
	Mr G McConnell	
	Mr Kirk	
	Miss Jackson	

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DMC