

21 October 1992

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Ce Ps / m full

Mr Wally

Mr Quinn

Mr Loughlin

Mr [unclear]

Mr [unclear] 588/91

FROM: HM AMBASSADOR
Date: 9 November 1992

cc: Mr Thomas, NIO - B
Mr Alston, NIO - B
Mr Archer, RID - B
Mr McKervill

ASST SEC 17 NOV 1992

Mr 399/11 [unclear]

UNDER SEC 586/11
16 NOV 1992

DHM
Mr Whitting

LUNCH WITH WALLY KIRWAN

1. I had lunch today with Wally Kirwan, Assistant Secretary in the Department of the Taoiseach.

EC Matters

2. Mr Kirwan said that he had been overwhelmingly preoccupied with preparations for the Edinburgh Council. The Presidency seemed to be pressing ahead in a very determined fashion on all fronts. The main Irish anxiety (Danes apart) was future financing. Though the Taoiseach had dropped public hints that Ireland might not succeed in obtaining the much vaunted £6 billion in structural funds, the Irish had certainly not given up the battle. Delors' proposal to extend the time-frame from five years to seven could be interpreted in a number of ways, depending on how the figures were handled. On subsidiarity, the Irish had been somewhat reassured by the way the debate was going, though the latest draft still left a lot to be desired.

3. The Irish had been surprised and put out by the Prime Minister's decision not to reintroduce the Maastricht Bill to Parliament until after the Danish referendum in the spring. The postponement had extended horizons and made the future of the Community much more opaque. This would have consequences: for example, although the Irish concurred in our economic and political arguments for enlargement, it was increasingly unlikely that they would be able to agree to launching negotiations with the EFTAs in January.

4. The Irish were still not clear on how to move forward on the Danish problem. Like us, they would support the Danes in trying to overcome their block, though there were limits on what they could do (for example, they could not renegotiate the Maastricht Treaty and they would be very hesitant about further opt-outs, especially in view of enlargement). The Danes wanted something legally binding, but a legal instrument affecting the position of Denmark could conceivably have legal repercussions in Ireland. If a second Danish referendum were to return a negative result, the Irish instinct would be to go for a Community at eleven (though setting up a new Community would certainly require a referendum here). But if

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British ratification were to go wrong too, the Irish would have to think again. A Community without Denmark was not out of the question, but one without the UK would pose enormous problems.

Northern Ireland

5. Mr Kirwan said that he had not had contact with the DFA since Friday, when the Irish hope had been for a soft landing without a piece of paper. I went through the benefits of getting something agreed in writing, and gave him a slightly up-beat account of the talks. Our aim was to resume, or start fresh talks, perhaps after Christmas. It was important to bank the undoubted gains. Mr Kirwan said he doubted Irish Ministers would feel able to move on Articles 2 and 3 during an election campaign, and maintained stoutly that whatever was agreed on North/South institutions, some British phrase favouring unification would be needed to counter-balance a referendum on Articles 2 and 3 thereafter. He did not volunteer language, but acknowledged that British Ministers were most unlikely to agree to join the ranks of the persuaders.

6. I said to Mr Kirwan that frankly we had been disappointed and rather puzzled by the Irish Government's reluctance throughout the talks process to put forward ideas and papers: they had played a very defensive game. Mr Kirwan glumly - and rather surprisingly - acknowledged this. The Irish side had never been able to decide what they wanted or to put together an effective strategy. The problem lay in the internal difficulties of the Government and the lack of anyone to apply an active political mind to the issues involved. (This can only be a criticism of the Taoiseach.)

Mr Nally

7. Dermot Nally continues to improve and is taking daily six-mile walks. He will be back in the office briefly for an Appointments Board on 12 November and may be back on a part-time basis thereafter until his formal retirement, which is due on 10 December but may be postponed to cover the Edinburgh Summit.

D E S Blatherwick

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