

RELATIONS WITH THE REPUBLIC OF IRELAND

Background

Although there are many ties between the British and Irish peoples - family and economic links, sporting and cultural ties, etc. - at Governmental level the relationship is dominated by Northern Ireland.

2. Nationalists in Northern Ireland have traditionally looked to the Irish Government to promote and protect their interests, a role which Dublin is happy to play. The interests of the Irish Government in the affairs of Northern Ireland were given formal expression in the Anglo-Irish Agreement of 1985, which entitles the Irish Government to make representations to the British Government on political, security and legal matters and the promotion of cross-border co-operation.

3. As a matter of political reality the Government is obliged to take account of the special interests of the Irish Government. Any policy likely to affect the nationalist community, either directly or indirectly, will stand a better chance of success if it is supported by Dublin.

4. In recent years the working relationship between the two Governments has been particularly close and effective. The tone has been set by the strong personal relationship between the Prime Minister and the Taoiseach, Bertie Ahern. The high water mark was the achievement of the Good Friday Agreement, which was supported by 71% of those voting in Northern Ireland, and 94% in the Republic.

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5. The Prime Minister was also given the distinction of being invited to address both Houses of the Irish Parliament in November 1998.

6. Since the Agreement was reached the two Governments have continued to enjoy a high level of co-operation and understanding. This has been vital for the successful implementation of the Agreement so far.

Significance of the Agreement

7. The Agreement successfully resolved a number of issues that had been contentious between Northern Ireland and the Republic. Specifically -

- the Irish Government and Northern Ireland parties, including the nationalist parties, formally accepted the principle of consent under which the future status of Northern Ireland is a matter for the people of Northern Ireland;
- it removes the Irish territorial claim over Northern Ireland, contained in Articles 2 and 3 of the Irish Constitution;
- it establishes formal structures of co-operation between the new Northern Ireland Government and the Dublin Government, in the form of a North/South Ministerial Council and associated cross-border implementation bodies;
- it abolishes the 1985 Anglo-Irish Agreement, which was an anathema to unionists (because it had been implemented by the two Governments over their heads) gives the Irish Government a formal right to comment on the affairs of Northern Ireland; and excludes Northern Ireland leaders from

meetings between the two Governments held under the Intergovernmental Conference.

8. The Agreement also provided an agreed basis for addressing other issues of key importance to the nationalist community, including policing, human rights, equality, and Irish culture and language.

Challenges ahead

9. Over the next three months the main tasks facing the NIO, on which we will have to work closely with Dublin, include -

- securing the final implementation of the Agreement. In particular working with the Northern Ireland parties to find an agreed way of establishing the cross-community Executive and resolving decommissioning;
- if devolution is achieved, participating with the Irish in meetings of the British Irish Council and the new Intergovernmental Conference.
- Drumcree;
- the Patten report;
- the response to continuing terrorist violence from dissident groups.

10. All this will be against the background that the Fianna Fáil/Progressive Democrats coalition Government has been damaged by recent corruption

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scandals which have left the Taoiseach vulnerable were another scandal to emerge.

REPUBLIC OF IRELAND: INTERNAL

The ROI is divided into four provinces and twenty-six counties. The population is about 3.5 million, of which some 3.2 million are Roman Catholics. Irish is the first official language, although English is almost universally used.

Constitution

2. The 1937 Constitution makes provision for a President, a Dail (renamed Deile) - lower house of 166 members (TDs) - elected by proportional representation; a Seanad (pr. Shennad) - upper house of 60 members; and a Cabinet government headed by the Taoiseach (Prime Minister, pr. Tee shough). List of Cabinet members attached.

The President

3. Professor Mary McAleese (a nationalist Northern Ireland lawyer by background) was elected President in October 1997. The President has little formal constitutional power. By all accounts President McAleese enjoys good relations with the Taoiseach and she has earned affection for her warm manner and informal style.

The Dail

4. After the last General Election in June 1997, Bertie Ahern (Fianna Fail) was sworn in as leader of the Fianna Fail/Progressive Democrat coalition cabinet. The coalition depends on the support of four independent TDs to maintain its working majority of three. Despite this, Ahern's position in the Dail has been for the most part stable. This reflects the voters' satisfaction with his part in helping to broker the Good Friday Agreement, and also the

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very healthy state of the Irish economy. The main current threat to the coalition comes from the work of the Flood tribunal (examining planning practices in Dublin in the 1980s) and the Moriarty tribunal (examining past payments to Charles Haughey). So far, allegations of past Fianna Fail wrong-doing have not directly implicated Ahern. But further revelations could lead to the Deputy Prime Minister (Tanaiste) and Progressive Democrat leader, Mary Harney, taking her party out of the coalition and forcing an election.

11 June Local and EU Elections

5. In the local elections on 11 June Fianna Fail support was steady at around 38%. The Progressive Democrats fell below 3%, but won a number of targeted seats and avoided a total wipe-out. The main opposition party, Fine Gael, polled over 27%, despite the uninspired performances of its leader, John Bruton. Labour (led by Ruairi Quinn) polled at 11% despite the recent merger with the Democratic Left party. The biggest gainers were Sinn Fein (3.5%), who won seats both in border areas and in inner city constituencies.

6. In the simultaneous EU elections Sinn Fein doubled their first preferences to over 6%. If repeated at a General Election, this would give Sinn Fein up to 5 seats in the Dail and a potentially pivotal role in coalition negotiations. The only other surprise was the loss of a Fianna Fail seat to former Eurovision Song Contest winner, Dana, running as an Independent on a traditional Catholic values ticket.

Economy

7. The Irish economy continues to grow at an impressive rate. The final GNP figures for 1998 are expected to show 8.5% growth.

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8. Inflation rose slightly in 1998 to 2.4% (1.5% in 1997). Low inflation has been largely due to national wage agreements under the Partnership 2000 arrangements, weak global inflationary pressures and strong competition from foreign, particularly UK imports.

9. Ireland joined EMU in the first wave at an entry rate of DM 2.48 following a decision in March 1998 to revalue by 3% against the Deutschmark. The Irish Government believe this will allow them to retain competitiveness without risking a surge in inflation.

However the exchange rate against sterling (83 Irish pence to the UK pound) is uncomfortable and there is great interest in when/if the UK will join EMU.

UK Exports

10. Ireland is the UK's fifth largest export market (and the number one starter market). Exports worth over £9 billion in 1997, (a 35% market share) are likely to have risen in 1998. UK firms have been successful in a market which has the advantages of close geographical proximity, a common language and similar technical standards and business practices.

EU Issues

11. Ireland is not a major force in the EU, but we share important interests: EMU and the resulting exchange rate issues are important to the Irish; Immigration because of the Common Travel Area (CTA); Agriculture -

- particularly beef and sheep; Common Foreign and Security Policy/Partnership for Peace -
- where there is an opportunity to encourage Ireland to closer engagement. We increasingly share a common approach to new issues, e.g. EU enlargement.

C O N F I D E N T I A L

REPUBLIC OF IRELAND: CABINET MEMBERS

Taoiseach: **Bertie Ahern TD**

Tánaiste and Minister for Enterprise, Trade and

Employment: **Mary Harney TD** (PD Member)

Minister for the Marine and Natural Resources: **Michael Woods TD**

Minister for Defence: **Michael Smith TD**

Minister for Foreign Affairs: **David Andrews TD**

Minister for Public Enterprise: **Mary O'Rourke TD**

Minister for Agriculture and Food: **Joe Walsh TD**

Minister for Finance: **Charlie McCreevy TD**

Minister for Health and Children: **Brian Cowen TD**

Minister for the Environment and Local Government: **Noel Dempsey TD**

Minister for Social, Community and Family Affairs: **Dermot Ahern TD**

Minister for Arts, Heritage, Gaeltacht and the Islands: **Sile de Valera TD**

Minister for Justice, Equality and Law Reform: **John O'Donoghue TD**

Minister for Tourism, Sport and Recreation: **Jim McDaid TD**

Minister for Education and Science: **Michael Martin TD**