



# An Chartlann Náisiúnta National Archives

**Reference Code:** 2021/100/15

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(2)

24 AUG 1998

Secure Fax: 969

21 August 1998

No of pages including this one: 6

[Group 1]

Mrs J. O'Connell Office  
Ms C. N. Phelan AGO  
Section**To: HQ**  
**For: Secretary Gallagher****From: Belfast**  
**From: Joint Secretary****Subj: Conversation with Tony McCusker**

1. Tony McCusker called to the Secretariat yesterday afternoon for an informal discussion of current thinking on the Northern side in relation to the implementation bodies and other Strand Two matters.
2. McCusker has effectively taken over this area of work from David Ferguson (following the latter's appointment to the private office of the First and Deputy First Ministers). He was accompanied by Billy Gamble who, with Alan Smith, will also be focussing on this work. All three are operating from the Central Secretariat.
3. The NI Departments have provided views on the twelve areas identified in the Agreement for North/South cooperation and implementation. McCusker and his colleagues intend to prepare an overall assessment, to clear this through Minister Murphy and the Secretary of State early next week and to forward it later in the week to the First Minister and Deputy First Minister for their consideration. Due no doubt to the succession of crises since their appointment, the latter have yet to focus on these issues and officials have not had the benefit of even an informal steer from them.

**Implementation bodies**

4. Part of our reason for asking McCusker over was because of indications we had received about a disturbing minimalism on the part of the NI Departments in relation

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to the implementation bodies (Mr Dowling's message of 11 August to Tim O'Connor refers). A note prepared by his colleague Billy Gamble had caused particular concern. In the event, McCusker provided a more reassuring account, mentioning recent "intensive exchanges" with the Departments concerned and referring to a degree of "arm-twisting" which had been necessary in order to secure a more serious approach to the British Government's commitments in this area.

5. The net position, in summary terms, is that the Northern side
- agree with five of the eight candidates we have identified for implementation bodies;
  - disagree with one (the EU Programmes Body);
  - are awaiting views from their Departments on the other two;
  - are proposing eight additional areas for implementation bodies (including one which we included on our list for separate implementation); and
  - concur broadly with our other candidates for separate implementation.
6. In detail, the views of the Northern Departments on the twelve areas mentioned in the Agreement are as follows.
- Under agriculture, they see animal health as an issue for separate implementation. Plant health could be entrusted to an implementation body but they do not see this as a particularly significant area.
- Under education, they see teacher qualifications as a candidate for separate implementation while teacher exchanges could be entrusted to an implementation body (though it would be quite small).
- Under transport, they see scope for an implementation body which would undertake strategic transport planning for the island as a whole (though executive powers in relation to e.g. road construction would continue to be vested in the respective administrations).

Under environment, they highlight the technical difficulties involved in creating a single regulatory system for environmental protection. However, they have identified scope for an implementation body which would develop a strategic approach on an all-Ireland basis to waste management, environmental research and monitoring.

They favour an implementation body for inland waterways.

They see social security and social welfare as an area for separate implementation. (It seems that an idea mentioned to us by the Permanent Secretary at the DHSS for a North/South "detective unit" in relation to fraud in this area did not make it into the final submission from that Department).

In relation to tourism, they favour an implementation body for promotion, marketing, research and product development. (It seems that Gerry Loughran's more ambitious idea for an implementation body covering all aspects of the tourism industry, which he mentioned to us over lunch recently, also did not survive in his Department's final recommendations - McCusker referred to a preference in the DED for an incremental approach in that direction, the underlying concern being that Northern Ireland would not fare well in competition with the South if moves were made in the short term towards an all-Ireland tourism industry in the fullest sense).

As regards EU Programmes, the Department of Finance and Personnel here are opposed to an implementation body. While they advance technical difficulties relating to the management of EU receipts within the NI block, their underlying concern appears to be that they stand to lose control over how a significant element of that block would be spent if an implementation body were to be given responsibility for programmes such as SPPR, INTERREG or LEADER.

We had a lengthy debate with McCusker on this subject, in which we emphasised a series of reasons why there would be practical and political benefits in creating a body to coordinate North/South approaches in this area. McCusker situated the DFP concerns against a general background of uncertainty about how EU matters will be handled under the Assembly. He also speculated that the Assembly would be very loath to allow anything relating to the allocation of grants to be handed over to a North/South body. He suggested eventually, given our Department of Finance's

positive attitude as well as the various technical complexities in this area, that the matter be pursued in direct contacts between the two Departments. It was always possible, he commented, that agreement might be reached between the First and Deputy First Minister on the merits of such a body and that the technical objections lodged by the DFP would be overruled.

They favour an implementation body for inland fisheries.

In relation to aquaculture and marine matters, they see this in broad terms as an area for separate implementation but are open to the creation of an implementation body for marine research.

Under health, they favour separate implementation for the areas mentioned. This is also their preferred approach for urban and rural development.

7. As regards the four areas mentioned in the Taoiseach's letter to Trimble, the Northern Departments have no difficulty with a proposal for an implementation body to promote the Irish language. Views are still awaited from them on the proposals relating to trade promotion and business development; training and employment; and scientific and technological research and development. We are told that they are open to an implementation body for promotion of the arts (whether in specific areas or more generally).
8. The NI Departments have also suggested that there could be implementation bodies in the following areas:

- Public health and health promotion;
- Road safety promotion;
- Public service training;
- Public records; and
- Ordnance Survey.

(On the latter two, they suggest that some safeguards would need to be built in to ensure confidentiality in certain areas).

9. McCusker and his colleagues intend to supply the First and Deputy First Ministers next week with a document assessing in the above terms the twelve areas mentioned in the Agreement. They expect to be asked very shortly afterwards to supply views on the four additional areas mentioned in the Taoiseach's letter and stand ready to do so. The reason for not volunteering such views from the outset, McCusker said, was because they see these areas as in a slightly separate category and would prefer to await a specific request in this regard. We suggested that they should at least flag in their initial submission the existence of these other proposals as well as the additional ideas mentioned by Departments.
10. McCusker mentioned contact which he has had with Austin Morgan. Although Morgan has supposedly been commissioned by Trimble to develop ideas for the UUP in relation to Strand Two implementation, he has produced nothing so far (though a presentation has been vaguely signalled for the end of this month) and McCusker's impression is that Trimble is not paying particular attention to the exercise.
11. McCusker agreed that it would be very useful to convene in the near future (e.g. the first week of September) a further meeting of officials, in the format of the 2 July meeting, to take the Strand Two work forward. He sketched out, in terms familiar to us from previous discussions with David Ferguson, a scenario under which a series of subjects would be agreed by 31 October under the two headings, with instructions to the respective administrations to proceed to set these up. For technical reasons, however, some of the bodies might take longer to establish than others and it may not be possible to have all of them endowed with their full legal functions at the point of formal devolution.

#### North/South cooperation seminar

12. We also had a detailed discussion of the plans for the North/South cooperation seminar on 9 September. There is a satisfactory meeting of minds in this regard. McCusker and Gamble mentioned that Desmond Rea is seen on their side as a possible Chairman for the event; that Paul Gorecki and John FitzGerald are contemplated as

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the Northern and Southern economists respectively; and that it has been suggested that Professor Colin Knox of the NUU at Jordanstown might be on hand to assist with comparisons between the two administrations North and South. We have taken up a number of points of detail directly with Mr O'Connor.