

Dermot Nally Papers

UCDA P254/13

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SECRET

MEETING BETWEEN THE TAOISEACH
AND PRIME MINISTER MAJOR

LONDON, 16 JUNE 1993

AN ROINN GNÓTHAÍ EACHTRACHA
Department of Foreign Affairs





SECRET

MEETING BETWEEN THE TAOISEACH
AND PRIME MINISTER MAJOR

LONDON, 16 JUNE 1993

1954

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Programme

- 15.30 Depart Dublin Airport
- 16.30 Arrive Heathrow and proceed by car to Embassy
- 17.30 Briefing Meeting at Embassy
- 17.45 Depart Embassy for Downing St.
- 18.00 Arrive Downing St.
- Tete-a-Tete (Taoiseach and Prime Minister)
 - Tanaiste and Minister for Foreign Affairs and Minister for Justice meet Secretary of State Mayhew and Foreign Secretary Hurd
- 18.45 Plenary Meeting
- 19.30 Taoiseach and Prime Minister meet Press outside 10 Downing St.
- 19.40 Supper (8 per side)
- 21.10 Depart Downing St. for Embassy
- 21.45 Press Conference at Embassy (Ballroom)
- 22.30 Radio and TV interviews (in Ambassador's Office)
- 23.00 Depart Embassy for Heathrow
- 00.00 Depart Heathrow for Dublin
- 1.00 Arrive Dublin Airport

Contact Numbers

Travelling Party (Government Jet)

Irish Embassy, 17 Grosvenor Street

Taoiseach

Tánaiste and Minister for Foreign Affairs

Minister for Justice

Mr. P. Teahon

Mr. F. Murray

Mr. N. Dorr

Mr. T. Dalton

Mr. S. O' hUiginn

Mr. S. Duignan

Mr. D. Nally

Dr. M. Mansergh

Mr. C. Butler

Mr. N. Burgess

Mr. N. Waters

Department of Foreign Affairs

Private Office

Public Relations Division

Office for Division

Department of Justice

Public Relations Office

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Traveling Party September 1911

Travellers

Minister and Minister for Foreign Affairs

Minister for Foreign Affairs

Mr. E. Tamm

Mr. E. H. H. H.

Mr. E. H. H.

Mr. E. H. H.

Mr. E. H. H.

Mr. E. H. H.

Mr. E. H. H.

Mr. E. H. H.

Mr. E. H. H.

Mr. E. H. H.

Contact Numbers

1. Irish Embassy, 17 Grosvenor Place

Tel: (004471) 2352171

Fax: (004471) 8231072

Direct Lines : (004471) 2352475
(004471) 2459553
(004471) 2354459
(004471) 2456873

2. 10 Downing St.

Tel: (004471) 9304433

3. Fax Nos in Dublin

Department of the Taoiseach

6766830 (Government Secretariat)

6764048 (Private Office)

6789791 (Department)

Department of Foreign Affairs

6780593 (Private Office)

4754505 (Anglo-Irish Division)

6717149 (EC Division)

Department of Justice

6767797 (Private Office)

Contact NumbersTrial Registry, II Groundwater Basin

Tel: (00447) 823177

Fax: (00447) 823172

Direct Lines: (00447) 823173

(00447) 823174

(00447) 823175

(00447) 823176

In Domestic

Tel: (00447) 823177

For Non-ResidentDepartment of the Environment

823177 (Government Secretariat)

823178 (Private Office)

823179 (Department)

Department of Foreign Affairs

823180 (Private Office)

823181 (Anglo-Irish Division)

823182 (EC Division)

Department of Justice

823183 (Private Office)

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ANGLO-IRISH SUMMIT MEETING, LONDON 16 JUNE

Plenary Session - Steering Note

Anglo-Irish Matters

Political Talks

1. The meeting takes place against a backdrop of serious difficulty for Mr. Major. Commentators consider him 'on probation' and agree that he cannot afford many more setbacks. His best asset is a continuing lack of consensus in the Tory Party about an alternative. However, many now expect that Mr. Clarke in his role as loyal lieutenant will tend to upstage Mr. Major, and will mend his fences with the Tory Right, thus ensuring his translation to the Premiership, perhaps within the year.
2. Whether or not this scenario succumbs to the unforeseen factors usual in politics, the fact remains that Mr. Major may find it difficult to concentrate on Irish issues at present and his authority to pilot through any major change may be limited for the time being.
3. The public outcome from the meeting will therefore have to take account of Mr. Major's difficulties and stick to established positions - continued joint commitment to political dialogue, to the operation of the Anglo-Irish Agreement, and to joint efforts to relaunch the Talks process both externally, through contacts with the parties, and internally, through consultations between the Governments.
4. Privately, however, the meeting might be used to stress to the British Government the diminishing credibility of the current policy of merely pleading ineffectually for Talks. There is a danger that Mr. Mayhew may now be responding essentially to his British audience, which takes vaguely on trust that worthwhile results are possible through such pleas. The Irish audience, whether nationalist or unionist, is growing increasingly sceptical. This limits the degree

to which the Irish Government can remain associated with a British position which is losing credibility on the ground.

5. A public statement by the Irish Side that the Talks were going nowhere would be extremely embarrassing for the British since it would destroy the basis of their present holding policy on that issue. While the time would not be ripe to do so at present, the possibility might nevertheless be used to insist on an inter Governmental discussion of alternative options or approaches, to be reviewed perhaps in another Summit (early in Autumn?).
6. The Taoiseach might take the following line:
 - In spite of our best efforts there is little or no expectation in Ireland that the Unionist parties will get back into Talks under present circumstances.
 - We will continue to do everything possible to promote new Talks, and will not say anything for the present which might jeopardise the prospects, however doubtful.
 - However, the authority and credibility of our two Governments will be diminished if we persist indefinitely in ineffectual pleas for Talks which no-one on the ground believes will happen.
 - At some point soon we must decide either
 - (a) that Talks are not possible in present circumstances, in which case we must vigorously implement and develop the Anglo-Irish Agreement as the best antidote to a political vacuum, or,
 - (b) The two Governments will change the circumstances and provide a new impetus by agreeing between

to which the Irish Government was taking account with a British position which is feeling itself on the ground.

A public statement by the Irish side that the talks were going nowhere would be extremely embarrassing for the British side. It would destroy the basis of their position holding policy on that issue. While the talks would not be free to do so at present, the possibility might nevertheless be used to limit on an inter-governmental discussion of alternative options or approaches, to be reviewed perhaps in another month (early in January).

The Government might take the following lines:

In spite of our best efforts there is little or no expectation in Ireland that the United States will get back into talks under present circumstances.

We will continue to do everything possible to promote new talks, and will not say anything for the present which might jeopardize the process, however hopeful.

However, the authority and credibility of our two Governments will be diminished if we persist labelatively in insisting upon the talks which no one on the ground believes will happen.

At some point such as next month either

(a) that talks are not possible in present circumstances, in which case we must vigorously implement and develop the Anglo-Irish Agreement or the new attitude to a political vacuum, or

(b) The two Governments will change the circumstances and provide a new impetus by agreeing between

themselves the shape of a balanced accommodation between the two sides and using their resources to win consent for it.

- Such a balanced accommodation cannot be found through constitutional change going only in a unionist direction, which has been the British emphasis in the Talks to date. To succeed it must simultaneously and equitably address the fundamental positions of both traditions.
- We could give our officials a mandate to prepare proposals for us, which we could review early in Autumn, and make this intention known as of now.
- This would have the added benefit of signalling that the Governments do not intend to allow themselves to be paralyzed by hard-line reactions of one or other group.

Security - see Department of Justice Brief

Other Issues

7. The Taoiseach with a view to subsequent press queries may wish to touch briefly and in general terms on confidence issues, affirming their importance and endorsing broadly the on-going work in the Conference (e.g. Paras in Coalisland; current - as yet rather unclear - case of alleged informer Casey in Strabane, which seems to echo the Nelson case; loyalist violence, which currently causes more deaths than nationalist violence).
8. Dr. Hendron has asked that the Taoiseach raise the Royal Victoria Hospital and encourage Mr. Major to agree to Dr. Hendron's request for a meeting on the issue. The Taoiseach might find an opportunity to do so informally over dinner, perhaps pointing to the unusual consensus in both

...the shape of a balanced representation
between the two sides and being their responsibility
to win consent for it

Such a balanced representation cannot be found through
constitutional means only in a narrow
direction, which has been the matter of the
talks to date. It appears to me that a satisfactory
agreement will require the fundamental principle of
equality

We would give our officials a mandate to prepare
proposals for us, which we would review and
submit, and make this intention known to the

This would have the effect of making the
Government's role more active in the process of
being decided by the Government of the other party.

Security - the Government of the other party

Other Issues

The Government with a view to subsequent peace talks
will be open to all and in general terms on
issues, including their importance and security. It
on-going work in the Government (e.g. peace in
current - we get better results - case of alleged
cases in the Government, which means we have the
loyalty of the Government, which means we have the
nationalist element.

Dr. Haddad has stated that the Government rates the
Yemeni situation as a matter of the Government to
Dr. Haddad's report for a meeting on the issue. The
Government might find an opportunity to do so in the future
direct, perhaps pointing to the Yemeni situation in the

the Falls and Shankill on the issue and its importance for deprived areas on both sides.

Press Presentation

9. The Press presentation of Northern Ireland aspects might include:
- Reaffirm commitment to the Anglo-Irish Agreement as the bedrock of the relationship between the two Governments.
 - Reaffirm close security cooperation.
 - Reaffirm joint commitment to a process of political dialogue addressing all the relationships and determination to work towards a solution.
 - Continuing contacts with the parties in the immediate future and a plea for their cooperation in relaunching dialogue.
 - Further discussions between Governments on how progress can be made, in particular on issues specific to the inter-Governmental relationships.
 - Agreement to take stock of situation and decide further steps in a further Summit (in early Autumn?).
10. A possible draft communiqué is included in the brief.

Sean Ó hUiginn
Assistant Secretary
Department of Foreign Affairs
15 June 1993

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The table and schedule on the reverse side of the document are
devised to show the work of the various departments.

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John D. H. H.

Assistant Secretary

Department of Foreign Affairs

12 June 1931

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Meeting with British Prime Minister

CONFIDENTIAL

Security and Confidence Issues

Background Note

I Security Situation

1. There have been thirty one deaths in Northern Ireland so far in 1993 - eighteen the result of Loyalist attacks, and thirteen caused by Republicans. [In addition to this the IRA was responsible for the deaths of two small boys when two bombs exploded in the centre of Warrington in March, an act which provoked large anti - violence demonstrations in the State and similar, if smaller, ones in Northern Ireland and Britain. A man was also killed when the IRA detonated a one tonne lorry bomb in April in Bishopsgate in the City of London which caused widespread damage, the repair of which has been estimated to cost £400 m.]
2. There are a number of identifiable elements in the present security situation.
 - (i) There has been an upsurge in sectarian attacks by paramilitary groups in the past two and a half years, most notably in the case of Loyalists, who have been responsible for 97 fatalities since January 1991. (In the same period Republicans were responsible for 89.) Loyalist paramilitaries were responsible for more deaths last year than their Republican counterparts, and this for the first time since 1975.
 - (ii) There has been a decline over recent years in the number of security force fatalities (from 43% of security related fatalities in 1988 to 20% in 1991 to just 11% last year). However, this year, of the

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Executive Summary

Background

Background

Background

There have been three main waves of migration from the Caribbean to the United States since 1960. The first wave, which began in the late 1950s and continued through the 1960s, was composed of a small number of individuals who were primarily students, professionals, and family members of U.S. citizens. The second wave, which began in the early 1970s and continued through the 1980s, was composed of a larger number of individuals who were primarily students, professionals, and family members of U.S. citizens. The third wave, which began in the early 1990s and continues to the present, is the largest and most diverse, and is composed of a wide range of individuals, including students, professionals, family members of U.S. citizens, and individuals who are seeking political asylum or economic opportunities.

There are a number of factors that have contributed to the growth of the Caribbean immigrant population in the United States. These factors include the economic conditions in the Caribbean, the political situation in the Caribbean, the availability of U.S. visas, and the social and cultural ties between the Caribbean and the United States.

There has been an increase in the number of Caribbean immigrants to the United States since 1990. This increase is due to a number of factors, including the economic conditions in the Caribbean, the political situation in the Caribbean, the availability of U.S. visas, and the social and cultural ties between the Caribbean and the United States. The increase in the number of Caribbean immigrants to the United States has led to a growing Caribbean immigrant population in the United States, which is now one of the largest immigrant populations in the country.

There has been a significant increase in the number of Caribbean immigrants to the United States since 1990. This increase is due to a number of factors, including the economic conditions in the Caribbean, the political situation in the Caribbean, the availability of U.S. visas, and the social and cultural ties between the Caribbean and the United States. The increase in the number of Caribbean immigrants to the United States has led to a growing Caribbean immigrant population in the United States, which is now one of the largest immigrant populations in the country.

31 deaths recorded to date, seven members of the security forces and one former member have been killed, of whom one was a Catholic member of the RUC.

(iii) While the Warrington bomb led to enormous criticism of the Provisional IRA in Ireland and internationally, the IRA have been, if anything, emboldened by the reaction in Britain to their bombing campaign there. In addition to this the campaign of bombing commercial targets in the North continues. This was highlighted most recently when the IRA detonated four bombs in three days as the counting of votes in the local elections got under way last month, injuring 21 people, some seriously, and causing £22 m. worth of damage.

(iv) The financial consequences of the IRA bombing campaign in Britain have assumed considerably greater significance over the last year. Two major bombings in London (the Baltic Exchange bomb in April 1992 and the Bishopsgate bomb in April of this year) led to £750 m. worth of damage. The IRA have made much propaganda out of these costs and have themselves claimed that their bombs caused £1.2 billion worth of damage in 1992.

Loyalist violence

3. Loyalist paramilitary groups are now led by a younger and more ruthless set of individuals. Both the UDA and the UVF have issued threats against the "Republican" (effectively the Catholic) community and against what they call the "pan-nationalist front of the SDLP, the Dublin Government and the cutting edge of the Provisional IRA". Attacks on the homes of a number of SDLP and Sinn Fein councillors (most recently that of Gerry Adams) have occurred. There is concern among nationalists, which we would share, at predictions by Unionist politicians of

increasing "Loyalist alienation" and growing Loyalist paramilitary violence. Clearly attempts to link Loyalist violence with "Loyalist alienation" can have dangerous consequences and may give comfort to Loyalist paramilitaries.

4. We are determined to ensure that the British authorities see to it that the response by the RUC and the British Army to Loyalist threats and attacks is no less vigorous than their response to Republican attacks.

II Confidence issues

(i) Use of Lethal Force

5. In the wake of a number of controversial killings by the security forces (most recently that of Pearse Jordan in West Belfast on 25 November last year) we have pressed for a major review of policy in this area. Most recently a member of the Parachute Regiment was convicted of murder and another member of attempted murder in connection with the killing in September 1990 of two West Belfast teenagers. A further six members of the security forces are at present awaiting trial for offences arising out of the use of lethal force, and the outcome of these cases will have obvious implications for public confidence. The British Government, on foot of discussions within the framework of the Anglo-Irish Conference, have set up an inter-departmental committee to examine the possibility of changes to the law and regulations governing the use of lethal force.

(ii) Harassment

6. While there have been signs of an improvement in some areas of Northern Ireland, we continue to receive reports of harassment of members of the Nationalist community by the security forces. This particularly affects young men living in Catholic working-class areas, but problems also arise in rural nationalist areas. We have stressed to

the British authorities the inflammatory effect of this kind of behaviour and the obvious propaganda benefits which the paramilitaries reap from it. Developments in this area continue to be closely monitored within the Conference framework. The British Government have introduced new procedures governing complaints against the Army.

(iii) Ill-Treatment in Detention Centres

7. Although the situation at RUC Holding Centres (mainly Castlereagh) has improved over the last year, no doubt partly due to the unfavourable international publicity, we have continued to press for the implementation of additional safeguards. While the British have announced the appointment of a Commissioner to monitor proceedings in the Holding Centres, his effectiveness will inevitably be curtailed by the continued unwillingness to introduce video-taping of interviews. A Code of Practice for the Holding Centres, upon which we have submitted detailed views, is presently being prepared by the British Government. In the wake of the UDR 4 appeal (in which evidence emerged that the police altered interview notes), it has been announced that procedures for recording such notes are being tightened up to prevent falsification.

(iv) Nelson Case/Collusion

8. The leaking of intelligence information by members of the security forces remains a matter of serious concern and was the subject of the Stevens Inquiry which reported in 1990. The issue resurfaced with the trial and conviction last year of Brian Nelson, a member of the Loyalist UDA who also worked as an undercover agent for British Army Intelligence. Our concerns at this case have been conveyed clearly to the British authorities, who have offered the assurance that there will be no recurrence. They have also indicated that significant lessons have been learned with regard to controls in the intelligence

area in the light of the Nelson verdict.

9. Most recently, however, widespread concern has been expressed over media reports that Declan "Beano" Casey, alleged to have been quarter master for the West Tyrone Brigade of the IRA, acted as a paid informer for the RUC. During this time it is reported that he was involved in serious crime, including murder.

(vi) Accompaniment

10. Paragraph eight of the Hillsborough Communique commits the British authorities to "the application of the principle that the Armed Forces (which include the Ulster Defence Regiment, now the Royal Irish Regiment) operate only in support of the civil power, with the particular objective of ensuring as rapidly as possible that, save in the most exceptional circumstances, there is a police presence in all operations which involve direct contact with the community." Nationalists see the implementation of this commitment as an important yardstick of the British Government's good faith in relation to the disappointing level of delivery on this commitment which continues to fall substantially short of the target rate of 100%. The Government remain committed to ensuring that the British side abide by their commitment on this matter. In light of incidents such as those involving the Parachute Regiment in Coalisland in May of last year (where there was a non-effective police presence) we have also drawn attention to the importance of the quality of RUC accompaniment.

(v) Case of John Matthews

11. John Matthews, a young man from Derry, is presently on remand at Belmarsh prison in Britain charged in connection with a bomb explosion in Holburn, London, on 24 April, 1993, the same date as the Bishopsgate bomb. He was originally arrested under the Prevention of Terrorism Act at Heathrow airport on 27 April. Bail was refused at

area in the light of the latest findings

Most recently, however, it appears that the
evidence over which reports that British forces
alleged to have been ordered to shoot the last
prisoners of the 1st, which is a well-known fact.
During this time it is reported that the British
armies were fighting against

Announcement

Paragraph 10 of the Ministry of Defence
The British authorities in the light of the
evidence that the British forces were the
British Government and the right to the
only in support of the British Government
objectives of ensuring the safety of the
in the most exceptional circumstances, which is a
presence in all operations which require British
with the command of the British Government
it also remains as an important factor in the
British Government's policy in relation to the
dissemination of information on the British
evidence to tell the public that the British
of 1947. The Government must ensure that
that the British side made in the light of the
evidence in light of the evidence which is
Paragraph 10 of the Ministry of Defence
where there was a clear effort to ensure that
also draw attention to the evidence in the light of
the evidence.

Class of John Smith

11. In addition, a young man who is presently
known as John Smith is a British citizen
evidence with a clear intention to ensure that
in 1947, the British Government was
was originally intended to ensure that the
and in addition, it is also a British citizen

a preliminary hearing on 10 June and he was further remanded in custody to 9 July.

12. The circumstances surrounding Mr. Matthews' arrest and continuing detention have caused considerable concern both here and among the Irish community in Britain. Particular concern surrounds the nature of the evidence against Mr. Matthews which is similar to that in previous miscarriage of justice cases, including disputed forensic evidence and identification procedures.
13. The Embassy London is actively involved in the case and is in continuing contact with Ms. Gareth Peirce, Mr. Matthews' solicitor, and with members of his family. A consular official visited Mr. Matthews on 21 May and an Embassy official attended the preliminary court hearing on 10 June. The Tánaiste has raised the concerns which have been expressed about the case with the British Foreign Secretary Mr. Hurd, when they met in Luxembourg some days ago.

Anglo Irish Division,
15 June 1993

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a preliminary hearing on it last fall he was informed
arranged in custody on 2 July.

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The circumstances surrounding the capture, arrest and
confined detention have been established by the
fact that and among the facts reported in the
investigation conducted within the limits of the
against Mr. Hatcher which is stated in part to
misconduct of justice cases, including alleged
corruption and unauthorized possession.

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The Embassy's action in sending a letter to the
in its reporting contact with the Embassy
Secretary, Ambassador, and with a view to the
Ambassador's official visit to the Embassy on 11 July 1961
Embassy official, arranged the Embassy's visit to the
on 10 June. The Embassy has asked the Embassy
have been expressed about the case which is
Ambassador's official visit to the Embassy on 11 July 1961
when they are.

SECRET

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Maastricht: Speaking Points

- . The Community is now back on course after the Danish referendum. What is your view on British ratification?
- . The lessons of this period have been well learnt. Need for greater sensitivity to inform the public on the part of the EC Institutions. Want progress on this in Brussels.
- . Special summit could be held. Important it should have something of substance to do. Institutional development in the context of enlargement would not be an appropriate subject.
- . On Subsidiarity, we are prepared to await President Delors final report on the review of legislation, we, of course, are anxious to ensure that Subsidiarity is not used to undermine the achievements of the Community to date.
- . We should reach agreement with Parliament. A Council/Commission agreement alone on Subsidiarity would not be sufficient.

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UNIVERSITY OF CALIFORNIA

The University is now part of the State of California. It is now part of the State of California.

The University of California is now part of the State of California. It is now part of the State of California.

Special events could be held. Special events could be held. Special events could be held.

On September 10, 1960, the University of California was founded. On September 10, 1960, the University of California was founded.

We should have agreed with California. We should have agreed with California. We should have agreed with California.

Taoiseach's Meeting with Prime Minister Major

Maastricht / Special Summit /Subsidiarity.
Steering Note

RATIFICATION

1. The successful outcome of the Danish Referendum on 18 May and the final vote in the British House of Commons on 19 May leave just two hurdles to overcome before Maastricht is ratified. In the UK the Treaty has gone to the House of Lords which will take up to a month to debate the issue. The indications are that the Treaty will pass notwithstanding the objections of Baroness Thatcher and her friends. In Germany the Constitutional Court is considering a number of challenges to the Treaty. It is believed that these challenges are unlikely to succeed. The Court may not hand down its decision until September. The optimistic expectation at present is that the Treaty will come into force on 1 October.

SPECIAL SUMMIT

2. President Mitterrand and Chancellor Kohl met on 2 June and called for an extraordinary summit of the EC to be convened when the Maastricht Treaty is finally ratified presumably to consider the future direction of European integration. France and Germany have not formally conveyed this suggestion to their partners. Prime Minister Rasmussen on his visit to Dublin last week said that the Danish Presidency does not favour the Copenhagen European Council making a decision on a special Summit.
3. In Paris, the Taoiseach discussed the proposal for a Special Summit and did not object to the proposal provided, of course, it had something useful to do. Apart from relaunching the Community, the French envisage a discussion on the Second Stage of EMU. The British are very wary (like the Danes) of a Special Summit and they feel that issues such as institutional change might arise and this is premature.

SUBSIDIARITY

4. The Edinburgh European Council received a report from President Delors on the Commission's review of EC legislation in the light of the principle of Subsidiarity and noted that the Commission will prepare a final report on this issue for the December European Council. We understand that the British would like to see progress being made in this area thus facilitating the British ratification process. President Delors will make a presentation on the subject in Copenhagen by way of reporting progress and the UK will wish the Summit to welcome this and look forward to the final report.

We understand the political reasons for the British view but we are mindful that Subsidiarity should not be used as a weapon to curb the Commission or roll back the achievements of the Community to date.

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By the Minister of Education, Mr. J. H. ...
view of the difficulty in regard to ...
Instructional Department with the ...
advising committees from the Council ...
Department. The Council and Commission ...
and the acquisition of the principle of ...
not wish to proceed along these lines ...
at present. The present uncertainty and ...
provision of facilities for action in the ...
question in a particular instance where it ...
substantially was not being answered.

22 Division
2-2000 1911

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Taoiseach's Visit to London, 16th June 1993

Location of EC Agencies in Ireland

Speaking Points

- Agreement on major institutions at Edinburgh European Council was welcome.
- We should not delay in settling the lesser agencies and this should be attempted in Copenhagen.
- The Government, have decided our priority should be the **Medicines Agency.**
- **Solid pharmaceutical industry**, long tradition and experience in medicine, medicines control and in medical and pharmaceutical research. Good package of incentives for location.
- Only 50/60 EC employees in Ireland at present.
- I would be interested to hear the UK views on the matter.

Report, 16th June 1993

The above was discussed in Dublin on 16th June, between the Taoiseach and British Prime Minister Major, in the course of the latter's non-official visit to Dublin. It is now clear that the matter will need to be discussed along similar lines with the other EC member states. It is also clear that the British do not wish it to be decided at the time of the summit in London. The Taoiseach will discuss the matter at the summit. The possibility will depend on whether it is considered preferable to discuss the matter in the light of indications received by the British during the visit of the Taoiseach. Notwithstanding the above, the Prime Minister has indicated his interest in the matter.

It is agreed that the matter should be discussed with other member states, which have already agreed, or are likely to agree, to host EC agencies, namely Spain and Portugal.

The final decision should be taken by the European Council, which is expected to meet in July 1993. It should not be used as the basis for allocating agencies.

The above discussion is the basis of the above report, which should be discussed in other European states, which have already been agreed.

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Taoiseach's Visit to London 16th June 1993

Location of EC Agencies in Ireland

Background

Agreement was reached at the Edinburgh European Council last December on the location of the main Community institutions, generally confirming the status quo, but no decision was reached on the location of the lesser agencies. Agreement on a package which would have assigned the Health and Safety Agency to Ireland was almost reached at the European Council in Lisbon in June 1992 but was impeded by the UK which had mounted a major campaign for the location of the European Central Bank in London.

An important gain for Ireland in Lisbon was acceptance of the principle that the existence of the European Foundation for Living and Working Conditions in Loughlinstown was not a barrier to the allocation of a further Agency to Ireland. However, Article 2 of the Decision annexed to the Edinburgh conclusions would seem to qualify the scope of this principle in so far as it provides that in reaching agreement on the location of agencies "a forthcoming European Council" shall give "appropriate priority to member States who do not at present provide the sites for Community institutions".

Recent Developments

The issue was discussed in Dublin on 9th inst. between the Taoiseach and Danish Prime Minister Rasmussen, in the course of the latter's pre-Council tour of capitals. It is not clear that the matter will come up in Copenhagen since recent information suggests that the British do not wish it to be discussed and would intend to block any discussion if the Presidency includes the question of sites in the agenda. The Presidency will decide on whether it is worthwhile proposing a solution in Copenhagen in the light of indications received by PM Rasmussen during his tour of capitals. Notwithstanding the British position, Prime Minister Rasmussen outlined his approach in three respects:

- (i) an Agency should be assigned to those member States which had not already got one (essentially Denmark, Greece, Spain and Portugal);
- (ii) the final compromise proposed by the Portuguese Presidency at the European Council in Lisbon in June 1992 should not be used as the basis for allocating Agencies; and
- (iii) any future discussion on the location of Agencies should be confined to those Agencies whose establishment had already been agreed.

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POLSKA'S VISIT TO LONDON MAY 1957

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POLSKA'S VISIT TO LONDON MAY 1957

Both Prime Ministers agreed that Luxembourg, which has an interest in the European Central Bank and the Community Trade Marks Office, was already adequately endowed with Community institutions and should be satisfied with these. Prime Minister Rasmussen, however, had difficulty in foreseeing something for Ireland, which already has Loughlinstown.

Irish Position

Following the decisions of the Government on 21 July and 8 September 1992 and 15 June 1993, we attach priority to the Agency for the Evaluation of Medicinal Products (**Medicines Agency**) in preference to seeking to have additional tasks, which had been envisaged for a proposed Health and Safety Agency - now unlikely to be established - added to the functions of the European Foundation for Living and Working Conditions in Loughlinstown. In so far as its location in Ireland is concerned the Medicines Agency would be of major benefit both directly and indirectly to the economy.

A number of other partners including Spain, the UK, Denmark and Portugal and the Netherlands are interested in attracting the Medicines Agency. The UK have recently adopted an aggressive approach which could suggest that the British were preparing to abandon their attempt to get the European Monetary Institute (forerunner of the European Central Bank) as unrealistic and were setting up the Medicines Agency as a "consolation prize".

More recently, there have been informal overtures from Community partners in the Justice framework suggesting that Ireland would be a suitable temporary location for EUROPOL. Having regard to the Government's priority for the Medicines Agency, they are expected to decide on 15th inst. that we should neither respond positively to nor, at this stage, reject these overtures and if Ireland is pressed at the next meeting of Trevi Ministers (for Justice) fixed for 28 June, we should refrain from accepting these overtures on the grounds that the temporary location of EUROPOL is likely to become the permanent one and, since, at best, Ireland can hope to get only one new Agency, this would severely prejudice our chances of getting the Medicines Agency.

It is clear that formidable difficulties lie in the way of securing the Medicines Agency for Ireland, given the Edinburgh decision to give priority to member States that have no Agency as yet, the number of member States larger than Ireland among this group and the number of strong contenders for the Medicines Agency. We will need to press very strongly to get the Medicines Agency for Dublin but might ultimately have to accept the best attainable deal for Ireland, involving, at a minimum, the assignment of additional tasks and jobs to the Loughlinstown location but also possibly embracing the headquarters of EUROPOL.

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Irish Position

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Taoiseach's meeting with Prime Minister Major

16 June, 1993

Enlargement

Speaking points

- Progress being made in the enlargement negotiations is satisfactory
- Need to keep up the momentum to achieve results by the year's end. Against setting deadline in Copenhagen.
- Lisbon conclusions allow for membership of 16 or 17 with present institutions. Some adaptations will be necessary to take account of numbers. But another round of constitutional debate would be premature.
- Difficult issues remain to be negotiated. The budget area will be challenging. Our view is that current financial arrangements are for a Community of 12. Increased expenditure will require increased resources.

EC Division
Department of Foreign Affairs
14 June, 1993

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THE UNITED STATES OF AMERICA

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Taoiseach's meeting with Prime Minister Major
16 June, 1993

Enlargement of the European Union

Steering Note

Summary

1. The UK is very much in favour of enlargement. Apart from the increased resources that the applicants will bring to the Union on accession, the UK sees the EFTA applicants as having a similarity of outlook and favouring inter-governmental rather than Community or federal-type action. The UK is also anxious that accessions occur on 1 January, 1995 and in any event in time for the new members to participate in the 1996 review of the Treaty on European Union conference.

2. Background

Negotiations opened with Austria, Sweden and Finland in February and with Norway in April. The unofficial timetable for the negotiations is that they could conclude by the end of 1993 for at least some of the applicants, ratification could take place during 1994 and accessions at the start of 1995. This would allow the new members of the Union to participate in the Treaty of European Union review conference in 1996.

3. Progress to date

- Progress in the negotiations has been generally acceptable. The first round of issues has been agreed between the Community and the applicants following the General Affairs Council on 9 June. These are relatively easy areas, already covered by the EEA Agreement. The difficult subjects, such as regional policy and agriculture, have not yet been addressed in a substantive way in the negotiation.

4. Pace

- Each applicant has been anxious not to be seen to be falling behind the others in the negotiations. However, the Presidency has let it be known that though the negotiations are to be conducted in parallel they will inevitably be conducted at a different pace as between the applicants. In line with the conclusions at the Edinburgh European Council, the negotiations cannot be concluded until the Treaty on European Union has been ratified.

5. Timing

- The Presidency appears to want the Copenhagen European Council to set the date of 1 January 1995 for this round of accessions. This fits the unofficial timetable to which member States and the applicant countries have been working. However, the January 1995 deadline implies negotiations being concluded at the end of 1993. This may not be possible and the Belgian Presidency will not

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Taninovich's meeting with Prime Minister De Gaulle
16 June 1963

Background of the De Gaulle visit
Background

The visit is very much in the nature of a mission. De Gaulle is the President of the French Republic and the only person in the world who can speak for the French people. He is also the only person who can speak for the French people in the world. He is also the only person who can speak for the French people in the world. He is also the only person who can speak for the French people in the world.

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wish to have explicit reference to a deadline mentioned in the Copenhagen Council conclusions. While we have argued for the negotiations to be conducted speedily, we would share Belgium's concern and have reservations about the Community committing itself to a deadline at this stage that may not be met.

Institutional issues

6. Some Member States and the Commission may wish the Copenhagen European Council to address a perceived need to tackle the institutional implications of enlargement. It will be recalled that the Lisbon European Council concluded that this round of enlargement, with the EFTA countries, could proceed on the basis of the provisions of the Treaty on European Union. In other words, adjustments were to be made to existing institutional arrangements and no radical restructuring was required. Ireland adheres firmly to the Lisbon Conclusions. It is our view that the current institutional structures can be modified to take account of this round of enlargement. The Treaty on European Union provides for a review conference in 1996. This will provide the framework for a review of the workings of the Treaty, including the institutional structures. UK planning for this IGC is already underway - PM Major has spoken of making an issue of "the accountability of the Commission". He has said that the UK aim - to change "the culture of the Community" - will be aided by the presence of what he sees as the likeminded Austria, Sweden, Finland and Norway.

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which to have explicit reference to a deadline (deadline) in the Copenhagen Council conclusions. While we have argued for the possibility to be considered separately, we would share Belgium's concern and have reservations about the Community considering itself to a deadline at this stage that may not be met.

Intergovernmental Issues

Some member States and the Commission say that the Copenhagen European Council is entitled to proceed and not to tackle the intergovernmental implications of enlargement. It will be recalled that the Lisbon European Council formulated that this round of enlargement, with the first conference, could proceed on the basis of the provisions of the Treaty on European Union. In other words, adjustments would be made to existing intergovernmental arrangements and no radical restructuring was required. Indeed, reference is made to the Lisbon Conclusions. It is our view that the current intergovernmental approach can be modified to take account of this round of enlargement. The Treaty on European Union provides for a review conference in 1992. This will provide the framework for a review of the workings of the Treaty. Indeed, the intergovernmental approach. It is clear that this is already underway. The major task of making an assessment of the intergovernmental approach. We have said that the UK also - in change - the content of the Community. It will be noted by the members of what is said as the intergovernmental approach, Ireland, Finland and Norway.

20 Division
Department of Foreign Affairs
14 June 1992

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Taoiseach's Visit to London, 17 June 1993

GATT

Speaking Notes

-We want a GATT agreement, one that covers all sectors and is balanced.

-This can help world economic prospects, and an economy like ours 70% of whose GDP comes from exporting.

-Agriculture remains a most important element of our economy and a particular interest in the EC context.

-We have consistently signalled that we have difficulty with aspects of the Blair House agreement, particularly cuts in beef export subsidies. A way will have to be found to protect our interests here. We are discussing this in the EC Council.

-I have just had talks in Paris which dwelt on this area. The French have concerns on such areas as cereals. It is interesting to note that they have managed to have the EC oilseeds regime modified to allow them to accept that part of Blair House.

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Visit of Taoiseach to London, 17 June 1993

GATT-Uruguay Round

Steering Note

1. Discussion of the Uruguay Round will take place against a background of recent intensified activity aimed at bringing the negotiations to a conclusion by the end of the year and of a review by the French Government of its approach to the negotiations and the submission by it to EC partners of a Memorandum on the Uruguay Round. The UK position has consistently favoured a rapid Uruguay Round conclusion and the UK made a big effort in this direction during its Presidency in the latter half of 1992. This did not result in a breakthrough but it may be noted that the Commission/US agreement on agriculture (Blair House) was reached in this period.
2. The timeframe for the negotiations is largely dictated by the US negotiators' Fast Track authority which has been renewed until 15 December (Fast Track allows the Clinton Administration to present an eventual agreement to Congress for a simple Yes or No vote, without the possibility of amendment). Matters are effectively for the moment in the hands of a small group of the major GATT contracting parties. These are the US, Japan, Canada and the EC (the Quad) who have been working, and will continue to work, on the outline of an agreement on market access in both goods and services. This is acknowledged to be a vital part of any overall Uruguay Round package. Progress on market access has been made in Quad Ministerial meetings in Toronto in May and at the OECD in Paris on 2 June. A further Ministerial is to take place in Tokyo on 23 June. The G7 Summit in July could then endorse the package and give an impulse to the Round. Extension of the package to all other GATT parties and the tackling of remaining issues could then take place in Geneva (with a prominent role likely for the new GATT Director General). The European Council in Copenhagen is not seen as having a pivotal role in the sequence- PM Rasmussen said it should emphasise the need for multilateralisation to other GATT contracting parties and for a conclusion by the end of the year.
3. The French Memorandum was issued after a review by the Balladur Government of the range of issues at stake in the Round. The positions it adopts on these are not markedly new but they are placed in an overall context of promoting growth, increasing employment, strengthening European Union and ensuring primacy of international law. Much greater concentration in the negotiations on topics other than agriculture is sought. The French put considerable emphasis on the area of "commercial defence", where the arsenal of

measures the US avails of is contrasted with the modest range available to the EC. The unacceptability to France of the Blair House agreement (agriculture) is restated and the areas where changes would be required are set out.

4. The Memorandum, in the way it has been presented, seems to mark the new Government's desire to move from an obstructive to a constructive approach and to end what French Ministers have called their "situation of complete isolation". As such it has been welcomed by the Commission and by member States in a General Affairs Council discussion on 8 June. The UK was among member States (Germany, NI also) careful to distinguish however this general welcome from a comprehensive endorsement which is not possible given the divergent positions on e.g. agriculture and commercial defence.
5. The Taoiseach's discussions in Paris with PM Balladur and President Mitterand might be mentioned by the UK side. The Taoiseach could describe the depth of feeling apparent on the French side, concerning agriculture in particular. He could say that Ireland has welcomed the French memorandum as a timely initiative and has underlined agreement on (i) its emphasis on globality and balance in the negotiations and (ii) its concern to preserve the fundamental principles of the CAP. We share concerns with the French about the Blair House agreement notably its provisions on cutting export subsidies (our worry is beef, the French is cereals). These concerns will have to be addressed- that is the point of our detailed submissions to the Agriculture Council on the question of compatibility between Blair House and CAP.

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Meeting with Prime Minister Major, 16 June 1993

EC relations with the countries of Central and Eastern Europe

Speaking Points

- Ireland has always taken the view that it is in our interests to respond as positively as we can to the desire of the Central and Eastern European partners for a closer relationship with the Community.
- The detailed proposals now before the Council form the basis for a wide-ranging series of decisions at the forthcoming European Council.
- The progress made at the General Affairs Council last week leaves us well placed to take the necessary decisions in Copenhagen.
- Ireland has taken a constructive attitude to the proposals in the accession, political dialogue, market access and assistance areas.
- The commitment to eventual accession contained in the proposals is desirable. While we could envisage holding a conference at some future date to assess progress towards fulfilling the conditions necessary for membership, we wonder about the desirability of setting a date for such a conference at this stage.
- We welcome the proposals to strengthen political dialogue and support further market opening measures. We are also open to providing more effective assistance but, like the UK have expressed reservations about using PHARE funds for capital funding of infrastructure projects.

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EC Relations with Central and Eastern Europe
Steering Note

1. This will be a major item for the Copenhagen European Council when the Community is expected to take decisions on the Commission's proposals for enhancing EC relations with the countries of Central and Eastern Europe (CEEs).
2. The main elements of Community's position on enhancing relations with the CEEs were agreed at the General Affairs Council on 8 June. These include a commitment by the Community to eventual accession of the CEEs when they are able to meet the conditions required, closer political cooperation, improved market access and more effective economic assistance. There are still some reservations including from Ireland on the proposals to use PHARE funds for infrastructure projects in the CEEs.
3. While the decisions to be taken are now largely agreed there is one matter which has been held over for Copenhagen and this is the proposal to hold a conference at a future date to assess progress towards meeting the criteria for Community membership. The Presidency is also suggesting that a date for this conference (1997) should be agreed at Copenhagen. While we would have some reservations about the desirability of the Community committing itself to a conference at this time, we could nevertheless join a consensus on this point. We would however, have reservations about arbitrarily choosing the date for this conference at this stage in advance of the current round of enlargement negotiations with the EFTA countries and the 1996 IGC.

Ireland's position

4. Ireland is in general supportive of the Commission's approach and agrees with the need to strengthen and develop the Community's relations with the CEEs. Initial difficulties on the market access question have been to a great extent met by the refined proposals which seek to improve market access by means of accelerating the timetable for concessions rather than by increasing quotas or reducing tariffs. On the question of financial assistance we have reservations, with the UK and NL regarding proposals to use PHARE funds for infrastructure projects. We could however, join a consensus on this issue provided the upper limit for such use of PHARE funds were left at 10%. The UK favours 5% while the Commission argues that 15% is essential.

UK position

5. The UK strongly supports the development of closer relations with the CEEs. Alone among the Member States they argued for even greater market opening measures than those proposed by the Commission. They are also in favour of a strong signal at the Copenhagen European Council on the question of possible future accession by the CEEs.

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Taoiseach's meeting with Prime Minister Major, 16 June 1993

EC - Russia

Speaking Points

Partnership and Cooperation Agreement

- Important to successfully conclude new Partnership and Cooperation Agreement with Russia. Like to see Agreement signed and come into effect in the near future.
- Several problems still outstanding despite the adaptation of the mandate last month.
- Helpful to prioritize Russian concerns and identify most important problems to be tackled.
- Unlikely that Yeltsin will be in Copenhagen at the time of the European Council.
- Appropriate for the European Council to issue a statement reaffirming Community support for reform process in Russia and including a reference to the Community's commitment to early conclusion of the Partnership and Cooperation Agreement.

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EC - Russia Relations

Steering note

1. Discussion of this topic seems likely to focus on a proposed Declaration on relations with the states of the former Soviet Union at the Copenhagen European Council and prospects for the conclusion of the new EC-Russia Partnership and Cooperation Agreement (PCA).
2. While the Presidency and the Russians had hoped to have the text of the Agreement ready for signature by Yeltsin in Copenhagen it is now accepted that this is no longer possible due largely to Russian unwillingness to scale down their ambitions regarding the content of the Agreement.
3. Prime Minister Rasmussen and Commissioner Brittan discussed the Agreement, on the basis of a revised Community mandate, with Russian Deputy Prime Minister Shokhin in Copenhagen on 27 May. A further meeting between Brittan and Shokhin took place in Moscow from 4-7 June. While it is clear that the Russian side, at the highest level, wish to conclude the Agreement as quickly as possible, they continue to express difficulties with important aspects of the mandate. Reports from Moscow indicate that Shokhin felt major outstanding items could be left for resolution between Yeltsin and EC Heads of State and Government in Copenhagen. The message has been firmly conveyed that negotiation of the PCA at the European Council is out of the question.
4. Yeltsin has been invited by Queen Margaret to visit Denmark while the European Council is taking place. It is understood that he has decided not to go to Copenhagen because the Agreement will not be ready for signature. The Presidency has proposed that there should be a Declaration from the European Council on relations with the states of the former Soviet Union expressing support for the reform process and looking forward to early agreement on the the PCA with Russia. The text of this Declaration, which is likely to be agreed in advance of the European Council, will be discussed at the Political Committee on 15/16 June.
6. Ireland shares the strong political will within the Community to conclude the Agreement quickly but we recognise that important problems remain to be resolved. We could support a Declaration by the European Council on relations with Russia and the other states of the former Soviet Union which would include the elements outlined above.

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12 - British Relations

12 - British Relations

1. Discussion of this report was held on 15th June at a meeting of the Committee on British Relations. The report was presented by the Chairman of the Committee, Mr. [Name], and was discussed by the members of the Committee. The report was found to be of great interest and value, and it was decided that the Committee should continue to monitor the situation in the Middle East.

2. While the Committee was discussing the report, the Chairman pointed out that the situation in the Middle East was becoming increasingly complex. He said that the British Government was facing a difficult task in dealing with the various factions in the region. He also mentioned that the British Government was trying to maintain its position in the Middle East, but it was facing a lot of opposition from the various factions.

3. The Chairman also mentioned that the British Government was trying to maintain its position in the Middle East, but it was facing a lot of opposition from the various factions. He said that the British Government was trying to maintain its position in the Middle East, but it was facing a lot of opposition from the various factions. He also mentioned that the British Government was trying to maintain its position in the Middle East, but it was facing a lot of opposition from the various factions.

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Visit to Prime Minister Major 16 June 1993

Speaking Note

Delors Plan (Structural Funds)

- Under your chairmanship we reached a very complex agreement at Edinburgh on the future financing of the Community. We have drawn up our National Plan to 1999 on the basis of the structural policy aspects of the Edinburgh Package. It is vital for us to retain our share of the funds going to the Cohesion member States.
- We have been willing to compromise on the inclusion of the Highlands and Islands and Merseyside regions under Objective 1 and have indicated this at the General Affairs Council. We hope the Commission and in particular Commissioner Millan will show similar willingness as far as our interests are concerned.

Structural Funds Regulations

The current structural fund regulations are valid until the end of 1993. Regulations for 1994 - 1999 have been agreed by the Council and will be adopted by the Commission in December 1993. The regulations will be based on the Edinburgh Package and will be subject to the same principles as the current regulations. The key issue for us is the share-out between the regions.

Ireland gets about 11.5% of the present allocation of Structural Funds to Obj. 1 regions in comparison to 10% for the United Kingdom. We are determined to reach a 10.5% share of the next round of Structural Funds. It is expected that Spain, Greece and Portugal will seek to reduce the difference in the per capita share.

A Regulation has been passed setting the new Cohesion Fund's instrument Operational Programme 1994-1999. The total amount of this fund which applies only to Ireland, Spain, Greece and Portugal will be over 20 billion ECU over the 7 years. Ireland will get between 7 and 10% of this fund. Spain is to get 15 - 20%. Greece and Portugal will each get 10 - 20%. Although our share is rather low compared with the present 11.5% share of structural funds, we are determined to get a substantially above the average for the four countries mentioned.

Irish Expenditure

A general public interest in the new Cohesion Fund's instrument Operational Programme 1994-1999 is being shown in the objective 1 category of the Highlands and Islands all over the country. The UK share of the

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United States. It is our hope to continue the
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Visit to Prime Minister Major
Delors Plan (Structural Funds)

Steering Note

Edinburgh

1. The 'Delors II' package on future financing of the Community, agreed at Edinburgh in December 1992, provided that the funding for the four 'cohesion member States' (Ireland, Spain, Greece and Portugal) would double between 1992 and 1999. The amount for these four in this period will be approximately 85 billion ECUs (= IR£68 billion), taking the Structural Funds and the new Cohesion Fund together.

National Plan

2. Ireland is well advanced in developing our National Plan. Intense consultations are being carried out (by the Department of Finance and by the Minister for State in the Tanaiste's Office) with Government Departments and other interests. It is hoped that the Plan will be ready by the end of June.

Structural Funds Regulations

3. The current Structural Fund Regulations run until the end of 1993. Negotiations are continuing on the revised Regulations for 1994 - 99. Since an amount was specified at Edinburgh for the four 'cohesion countries' as a group, the key issue for us is the share-out between these.
4. Ireland gets about 13.56% of the present allocation of Structural Funds to Obj. 1 regions in Cohesion 4 MS, by far the highest per capita share. We are determined to seek a 13.56% share of the next round of Structural Funds. It is expected that Spain, Greece and Portugal will seek to reduce the difference in the per capita shares.
5. A Regulation has been passed making the new Cohesion interim instrument operational from 1 April 1993. The total amount of this fund (which applies only to Ireland, Spain, Greece and Portugal) will be over 15 billion ECUs over the 7 years. Ireland will get between 7 and 10% of this fund. Spain is to get 52 - 58%. Greece and Portugal will each get 16 - 20%. Although our share is rather less than our present 13.56% share of Structural Funds, our per capita share is still substantially above the average for the four cohesion member States.

British concerns

6. A particular British interest (and one which Commissioner Millan himself is pursuing) is the inclusion in the Objective I category of the Highlands and Islands and Merseyside even though their per capita GDP is above 75% of the Community average. (The UK wants these

regions to share Northern Ireland's eligibility for Objective 1 status). We have indicated our willingness to compromise in this "political" issue and would hope that the Commissioner will show similar understanding in the matter of our share of the Funds.

Economic Division
Department of Foreign Affairs
14 June 1993

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regions in which borders have been established and will remain
objective in this regard. It has been indicated that the
to continue in this regard. It has been indicated that the
that the Commission will also be working to
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Executive Director
Department of Foreign Affairs
14 June 1952

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Visit to British Prime Minister 16 June 1993

Growth and Employment Initiatives

Steering Note

European Growth Initiative

1. The European Council at Edinburgh in December 1992 made a declaration on "Promoting Economic Recovery in Europe". It called for concerted action by member States to take concerted action, within economic constraints, to promote growth. ECOFIN would monitor this and the European Council in June 1993 would come back to it.
2. On 19 April 1993, ECOFIN approved a "new group of economic policies" as part of the European Growth Initiative. The Conclusions adopted by the Twelve (on the basis of a major Commission Report) note the Cion estimate of an increase in growth of about 0.6% and the creation of about 450,000 jobs over two years as a direct result of these initiatives.
3. The aim of the package is to provide a short-term support to activity in the Community in a way that improves long-term growth potential, both by capital investment and investment in human capital (increasing employment). The emphasis is on a concerted and coordinated action by member States, concentrated in 1993/94, but providing the framework for 1994 budgets in member States.
4. The main aspects of the package are
 - increased investment
 - new and enlarged Community schemes (EIF, etc.)
 - Trans-European Network programmes
 - additional actions in research and development
 - increased effectiveness of European Social Fund

European Investment Fund (EIF)

5. The Edinburgh Conclusions called for the establishment of a European Investment Fund (EIF) to be managed by the European Investment Bank (EIB), to provide loan capital for major infrastructural projects. On 25 March last, member States approved changes in the Statutes of the EIB to allow for the creation of the EIF. It is hoped the Fund will be operational by the end of 1993.
6. Ireland has only limited interest in loan instruments. For us the Cohesion Fund will be the main form of new assistance to 'TENS', though it is intended for specific transport and environmental projects. However, the new loan instruments could be of major importance if they promote major infrastructural projects in Europe, which might help stimulate economic activity and growth.

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Internationalisation of Growth Initiatives

7. Discussions between EC and EFTA finance ministers took place en marge of the ECOFIN Council on 19 April last. It was agreed that the EC and EFTA share similar problems in relation to growth and employment and that the European Economic Area will create a framework for increased consultation on these issues. The EC is also in discussion with the US to encourage the development of a common approach to the reflation of the global economy.
8. The OECD Ministerial meeting in Paris on 2-3 June addressed the growth/employment issue, emphasising international cooperation, in particular by strengthening the open multilateral trading system. The strategy agreed includes structural reform policies, including labour market policies, and trade liberalisation.

Copenhagen Summit

9. The Danish Prime Minister indicated to the Taoiseach last week that he wishes to have a major discussion on these issues at the European Council in Copenhagen. The relevance of the Community to the ordinary citizen would be enhanced by real progress on the issues of unemployment and economic recovery.
10. President Delors is expected to present a paper at Copenhagen concentrating on competitiveness and employment. He will argue that the Community has fallen behind the US and Japan, with serious implications for job creation. Delors will try to build on what was agreed at Edinburgh. In our view the fight against unemployment is of paramount importance. Action at Community level is not enough, it must be complemented by action at national level. The British approach to the competitiveness issue can be expected to focus on pay rates and other social costs.

Economic Division
Department of Foreign Affairs
14 June 1993

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Internationalization of Growth Indicators

Discussions between EC and EFTA Member States have taken on many of the EC/EFTA Council on 19 April 1981. It was agreed that the EC and EFTA should consider progress in relation to growth and employment and that the European Economic Area will create a framework for harmonization of these issues. The EC and EFTA are also in discussion with the US to consider the harmonization of a common approach to the collection of these data.

The EC/EFTA Ministerial meeting in March 1981 took place in Brussels. The growth/employment issues, concerning international cooperation, is being followed by a working group. The group will be working on the strategy agreed in the EC/EFTA Council. The group will be working on the strategy agreed in the EC/EFTA Council. The group will be working on the strategy agreed in the EC/EFTA Council.

European Council

The Danish Prime Minister, Poul Schlüter, visited the EC/EFTA Council in March 1981. He was accompanied by his wife and two children. The Prime Minister was in Brussels for a short time. He was in Brussels for a short time. He was in Brussels for a short time. He was in Brussels for a short time.

President Delors is expected to visit a group of EC/EFTA Ministers in Brussels in March 1981. He will be accompanied by his wife and two children. The President will be in Brussels for a short time. He will be in Brussels for a short time. He will be in Brussels for a short time. He will be in Brussels for a short time.

European Division
Department of Economic Affairs
12 June 1981

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Visit to British Prime Minister 16 June 1993

Currency Situation

Steering Note

1. The Exchange Rate Mechanism (ERM), which encountered serious difficulties in the last year, has now settled down. Interest rates, including German interest rates, are now showing a welcome downward trend. Further modulations in the ERM by the end of the decade in the run up to full Economic and Monetary Union (EMU) cannot be ruled out, but the Irish pound is strong.
2. Sterling and the Italian Lira left the ERM in September 1992. The Spanish Peseta and Portuguese Escudo were devalued (but remained within the ERM wide band). The Irish Pound was later devalued by 10%, but also remained in the ERM (in our case, in the narrow band). The Irish devaluation was caused largely by the perception (by speculators) that our exporters could not live with a fall of Sterling at one stage of 18% against the Irish Pound.
3. Sterling is unlikely to rejoin the ERM in the near future. The former British Chancellor of the Exchequer, Norman Lamont, had recently stated that the UK was not contemplating any return to the system before "perhaps two or three years". The British wish to see major changes in the functioning of the ERM before rejoining. We also feel improvements could be made - we were especially disappointed at the lack of prompt response to save the Irish Pound from devaluation.
4. The Irish devaluation brought the Irish pound back to equal about £1.02 Sterling. Sterling has since strengthened and the Irish Pound is now equal to 98 or 99 pence Sterling. This helps our exporters.
5. The turmoil in the ERM since last September confirms for Ireland (rather than weakens) the objective of joining Economic and Monetary Union, as provided for in the Maastricht Treaty (which provides for the final stage in 1997, or 1999 at the latest). However, the UK has a Protocol in the Maastricht Treaty allowing it to opt out of EMU.

Review of Operations of ERM

6. The Committee of Governors of the Central Banks and the EC Monetary Committee have conducted separate studies of the lessons for the ERM to be learnt from the currency crisis. The Governors' report ascribed the ERM crisis to insufficient progress in economic convergence, compounded by a deteriorating cyclical situation and growing policy conflicts. They also identified structural changes in financial markets, increasing the scope for capital movement and speculative operations, as a notable destabilising force.

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Taoiseach's Meeting with Prime Minister Major

16 June 1993

International Political Questions

Former Yugoslavia

- ° share feelings of frustration at continued fighting and atrocities in Bosnia
- ° very concerned at recent attacks on UNPROFOR personnel
- ° Vance/Owen Peace Plan remains central to EC approach
- ° Washington meeting on 22 May brought EC, US, Russia together. We must preserve unity of approach
- ° following adoption of SECCO resolution (836) on safe areas additional troops and funding required for implementation. (Figure of 5,000+ troops is mentioned)
- ° SECCO will need to consider further the question of international monitoring of Bosnian borders to increase isolation of Bosnian Serbs. Milosevic remains opposed to this
- ° these are interim measures
- ° Lord Owen and Mr. Stoltenberg have full confidence of EC. We are open to their ideas on future strategy
- ° dangerous situation in Croatia; risk of renewed fighting. Importance of preventing spillover of conflict to Kosovo and Macedonia

Russia

- ° still hopeful that Yeltsin will achieve reform goals including elections under new constitution to a new bicameral parliament this year
- ° growing concern in EC over Russia's relations with Ukraine, which is holding back on ratification of START, NPT
- ° Partnership and Cooperation Agreement now expected to be agreed in Belgian Presidency
- ° Community plus member States (Germany) have contributed 75% of aid to Russia in recent years

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Testimony of the witness who was interviewed by the

12 June 1992

International Political Committee

Page 10/10

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Central and Eastern Europe

- ° substantial progress expected at European Council in relations with central and eastern Europeans (Visegrad 4 plus Bulgaria and Romania)

Accession Negotiations/CFSP Aspects

- ° principles set out by Danish Foreign Minister at opening of talks on 1 February
- ° applicants must be ready and able to implement Maastricht
- ° Maastricht Treaty has a dynamic/evolutionary character
- ° it would not be at all helpful to have a controversy on neutrality in the framework of the accession negotiations

CFSP/WEU

- ° useful preparatory work has been undertaken including the publication of the Lisbon Report on the future CFSP
- ° there is an emphasis in Twelve thinking on long-term approaches, including identification of the common security interests of the European Union
- ° in November we accepted observer status in the WEU, because of the role given to the WEU in the Maastricht Treaty
- ° We have attended some WEU meetings on former Yugoslavia. We will fully take up our rights as an observer when Maastricht has been ratified.

Common Defence Policy

- ° we will be ready to play our part in negotiations on a common defence policy
- ° an important factor for us will be an assessment of how the Maastricht provisions have worked out in practice
- ° if negotiations at the Review Conference in 1996 lead to substantive results we will need to have a referendum in Ireland

Conference on Stability in Europe (French Proposal)

- ° we gather that France will explain its ideas at the European Council

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Control and Eastern Europe

substantial progress expected in the next few years
relations with central and eastern Europe (Western
plus Bulgaria and Romania)

European Development Agency

programme set up by British Overseas Development
of £100m in 1984

significant role in early and mid 1980s

European Development Agency

it would not be all helped by the fact that
neutral in the context of the economic situation

1985

major progress was made in the early 1980s
position of the European Development Agency

there is an emphasis in the early 1980s
approach, including the role of the
European Development Agency

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European Development Agency

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European Development Agency

we will be ready to play our part in the early 1980s
European Development Agency

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European Development Agency

to have played some role in the early 1980s
European Development Agency

- ° we will listen with interest: we are conscious of the need to reassure and encourage the central and eastern Europeans
- ° central role of CSCE in European security
- ° CSCE principles have served us well, e.g., balance between inviolability of frontiers and possibility of peaceful change of borders

South Africa

- ° agreement should shortly be reached on Transitional Executive Council and date for final democratic elections
- ° once TEC in place, EC will respond by lifting sanctions, improving economic relations
- ° arms embargo and related measures will remain
- ° some sanctions will remain in place for the time being, for example on arms exports. From the Irish point of view, we would wish to have further assurances before the EC proceeds to develop cooperation with South Africa in the sphere of nuclear energy
- ° outside assistance will be important for organising and monitoring the elections in April 1994. Plans are being made for more than 7,000 polling stations
- ° "electoral assistance" is becoming an increasingly important factor elsewhere in Africa e.g. Malawi, and indeed in other regions (Cambodia, Haiti, El Salvador)

Somalia

- ° the Government have decided to make a transport contingent available to UNOSOM II, subject to enactment of legislation to amend our 1960 Defence Act
- ° for the first time an Irish contingent will become involved in a UN operation with a mandate under Chapter VII of the UN Charter
- ° killing of Pakistani soldiers at weekend deeply disturbing. Tánaiste proposed an EC declaration on 8 June to express support for the UN. EC partners endorsed proposal
- ° Minister for Defence intends to visit Somalia in the near future to review security situation

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EC/US Relations

- election of Clinton/Gore a window of opportunity
- potential differences with U.S. over Yugoslavia, world trade have been contained
- EC has warmly supported US-led peace process in Middle East
- Warren Christopher in meeting with Twelve on 9 June had an open-minded and positive attitude to further European integration
- both Christopher and Community speakers referred to common global responsibilities as well as bilateral EC/US relations. So far this is more a concept than a practical matter
- it points to a common sense of responsibility towards the global economy. Warren Christopher on 9 June mentioned reduction of US deficit in this context

World Conference on Human Rights

- it is timely that WCHR in Vienna spotlights place of human rights in inter-State relations
- important to counter Third World perceptions that Western countries are less serious about economic and social rights than about civil and political rights
- important to resist suggestion that human rights standards can be abrogated for religious or cultural reasons

UN

- Ireland has strong interest in UN peacekeeping and is involved in most UN peacekeeping operations
- continuing discussions on Sec Gen's Agenda for Peace document should lead to an enhanced capability in this area
- safety of UN peacekeepers an important concern for Irish Government
- two very practical issues are financing and the personnel resources of the Secretariat in this field

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- ° the composition and functioning of the UN Security Council is under scrutiny. The Maastricht Treaty refers to the role of EC member States which are also members of the Security Council. How do you see this issue developing?
- ° disarmament and non-proliferation remain essential items on the international agenda. While we expect a "peace dividend", the capacity to buy or produce armaments is more widespread than ever before
- ° Ireland is seeking to promote a Code of Conduct on arms transfers within the UN

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Taoiseach's meeting with the Prime Minister

16 June 1993

Political Overview

1. The Taoiseach's meeting with the Prime Minister takes place a week after the latest crisis to beset Mr. Major and his Government. On 9 June the former Chancellor, Norman Lamont, made his damaging resignation statement to the Commons claiming that an image-conscious Prime Minister, obsessed with presentation and short term advantage, had allowed opinion polls and party managers to dictate Government policy. In a stinging sound-bite, which struck at the Government generally and the Prime Minister personally, he described the Government as being in office but not in power. Mr. Lamont's unexpected onslaught was compounded by a highly effective speech from the Labour leader, John Smith and by a weak defensive response from the Prime Minister. Mr. Major recovered some ground the following day, 10 June, at Prime Minister's Questions and at the weekend he availed himself of an address to the annual conference of Welsh Conservatives to reassert his authority and steady the nerves of anxious Tories. In the meantime his Cabinet colleagues have rallied around in a display of personal loyalty and unity, dismissing Mr. Lamont's criticisms as sour grapes at his removal from office in the recent Cabinet re-shuffle.
2. There is some merit in this response and certainly the significance of Mr. Lamont's attack can be overstated. In terms of substance and impact Mr. Lamont's statement cannot be likened for example to the resignation remarks of Geoffrey Howe which led directly to Mrs. Thatcher's downfall. There are some ominous parallels however and the fall-out from his statement will not be easily dissipated. The implicit threat to the Prime Minister's authority is likely to hang over Mr. Major at least until the Conservatives' annual conference in early October.

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In the meantime a great deal will depend on his ability to reassert his authority during the remaining months of this parliamentary session. In a broader sense Mr. Lamont's criticism is also symptomatic of the succession of difficulties which have beset the Conservatives since their success in the general election of April 1992. The former Chancellor was never a particularly popular figure among the rank and file of the Conservative party and his departure from the Cabinet was brought about in large measure by growing disenchantment among Tory activists with his handling of economic policy. It is an ironic turn around that much of what he had to say in his resignation statement about the Government's shortcomings echoes the widespread misgivings among those very people who a few weeks ago were clamouring for his removal. It is a double irony that a man never renowned for the astuteness of his political timing should choose to launch his attack at the very time when Conservative associations throughout England are still trying to come to terms with their heavy defeat in the recent local Government elections and the loss, on the same day, of one of the safest Tory seats in a by election at Newbury in the Tory fastness of rural Berkshire.

3. In seeking a deeper explanation for the succession of misfortunes which have beset them since winning the election Government members from time to time point to the difficulties of working with a small majority. This is a new experience for the Conservatives, cushioned since 1979 with comfortable margins of victory. They also point to a new robust sense of independence on the Tory backbenches as they realise, many MPs for the very first time, the extent of their power in this parliament. Insiders also point to the fact that many of the new intake of Conservative MPs came of age during Mrs. Thatcher's period in office. They brought with them, therefore, as new MPs, a commitment to the more distinctive aspects of her philosophy - hostility to

Europe, an unwavering belief in the beneficial effects of the free market and an implacable opposition to any form of state intervention. Mr. Major, and many of those close to him, are however, both by disposition and circumstance, attached to opposing perspectives. They favour the softer more consensual and interventionist approach characteristic of so-called one-nation Conservatism. They are also convinced pro-Europeans. Mr. Major's election as leader was marked by a resurgence in the influence of the long neglected moderate wing of the Conservative party. The protracted wrangle over Maastricht revealed the extent of the gulf between the two wings of Conservatism - between Majorism and Thatcherism. The Maastricht Bill may have finally passed through all stages in the Commons but behind the scenes the strains remain.

4. The first Cabinet re-shuffle of this Government illustrated very graphically the fractured state of the Conservative party and the difficulties which this causes for the Prime Minister. Both at senior and junior ministerial levels, including even the modest change among the members of the Northern Ireland Ministerial team, there is clear evidence of Mr. Major's efforts to balance the opposing and competing bodies of opinion within the party. The right wingers are said to be outraged at the elevation of Mr. Kenneth Clarke to Chancellor. Mr. Clarke has long been recognised as the champion of the moderates with strong pro-European views and a belief in modest State intervention, particularly in social policy. With his promotion the view of the Conservative right is that the balance of the Cabinet has been tilted heavily against them and this in turn increases their sense of unease with the policy direction of this Government. At all ranks in the Conservative party there are islands of right wing disaffection yearning for a return to the less ambiguous, clear-cut crusade of the Thatcher years. It is not simply about

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Maastricht that the right wing feel uneasy: there are, for example, deep rooted concerns about law and order, dismay at the rise in public spending and a general unease about the direction of economic policy and the slow rate of economic recovery.

5. The economy is the key issue. Recent months have witnessed the beginnings of what is recognised as a very tentative recovery. The economic statistics give a mixed message although overall the indicators are positive. This week for example the Government will have taken comfort from the figures on new company start ups, which show a 4.9 per cent increase on the corresponding period of last year. This increase, the first since the start of the recession in 1989, indicates a growth in business confidence and is one of the strongest signs yet that entrepreneurial and business activity is picking up as part of a broader based recovery. Despite the positive indicators however the new Chancellor, Kenneth Clarke, faces his most difficult tasks to date as a veteran Minister. While Norman Lamont was Chancellor the Prime Minister was seen to be closely associated with the formulation of economic policy. With the new Chancellor the Prime Minister can be seen to have put some distance between himself and this vital area. This is of course a double edged sword. If the recovery is sustained then Mr. Clarke, the Minister best placed to replace Mr. Major, would reap the obvious benefits. On the other hand with the budget deficit predicted to reach £50 billion this year and a bruising round of public spending cuts about to get underway, including a possible re-vamping of several areas of welfare system, it suits the Prime Minister to stand aloof from the political fall out.
6. At time of writing the indications are that the Prime Minister has, for the moment, weathered the immediate crisis engendered by Mr. Lamont's resignation speech.

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The view at Westminster is that the right wing is content in the short term to rally behind him although each news bulletin carries statements from one or other backbencher demonstrating just how conditional this support is. The Government will continue to foster the impression that it is business as usual in the fact of what the Prime Minister told the Commons last week was "some local difficulty". It seems however to be the misfortune of this Government to stumble from one patch of difficulty to the next since no sooner had the echoes of the Lamont speech begun to fade than we learned from a leaked official document of Government plans to cut disability benefit. The next critical test for the Government will be the second by-election of this Parliament at Christchurch. This constituency in Dorset is one of the safest Conservative seats in Britain with a majority of over 23,000 and the odds strongly favour the Government holding the seat. In the present climate, however, anything is possible and if the pattern at Newbury were to be repeated the Liberal Democrats could well take it. To lose Christchurch would be a great blow and one which would certainly rekindle the debate about the Prime Minister's future. On the other hand, a victory, however predictable and narrow, would be a useful psychological boost. The writ has yet to be moved but the expectation is that it will be held in July possibly around 7 July. There is also the relief of the summer recess, which is likely to be in the third week of July. This combined with a victory at Christchurch and the added bonus of continuing good economic news would make for a very pleasant summer for the Prime Minister and enable him to put behind him a thoroughly disagreeable year. The Liberal Democrat leader, Paddy Ashdown, told me about three weeks ago that his party did not expect to win Christchurch. However, so much misfortune has befallen John Major and his Government in the meantime that he must surely be in more confident mood now.

Ambassador
London

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THE RT. HON. JOHN MAJOR MP

PRIME MINISTER

John Major was born in Merton, Surrey in 1943. Reduced circumstances obliged his family to move from the suburbs when he was only ten years old to a two-room multi-racial council estate in Coldharbour Lane, Brixton.

He left school at 16 and spent some time as a clerk and a labourer, also experiencing a period of unemployment, before beginning a successful career in banking where he rose to become personal assistant to Anthony Barber, director of the Standard Chartered Bank and the former Chancellor in Heath's government. An active member of Brixton Young Conservatives from his teens, he founded Lambeth Borough Young Conservatives and served as its first Chairman. He was elected to Lambeth Council in 1968 where he won bipartisan respect for his liberal social views as Chairman of the Housing Committee.

Having failed to win a seat in both 1974 elections he was adopted for Huntingdon in 1976 and elected MP in the 1979 General Election.

He married Norma Johnson, a former home economics teacher and dressmaker from Shropshire, in 1970 having met her as she ferried Tory voters to the polling stations for the GLC elections earlier that year. An opera lover she has written a well-regarded biography of Joan Sutherland. They have one son James aged 17, and a daughter Elizabeth aged 20.

Major's first political appointment in 1981 was as Parliamentary Private Secretary to the two junior Ministers at the Home Office, one of whom, Sir Patrick Mayhew, is the current Attorney General.

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*The Foreign Secretary to ...
The Secretary of State for N.I. L*

Possible Draft Communiqué

1. (Protocol Paragraph)

2. The Taoiseach and Prime Minister ^{ed} conducted a full review of Anglo-Irish relations, and in particular of the situation in Northern Ireland. They reaffirmed the determination of both Governments to cooperate closely, ~~on all aspects of the problem~~, building on the solid foundation of their joint commitment to the Anglo-Irish Agreement. *The Taoiseach and the*

M. J. G. had separate talks before going to D.P.M. - planning Sunday, with

3. The Taoiseach and Prime Minister discussed the security situation. They deplored the loss of life and ^{the} human suffering ~~so~~ wantonly caused by those who unleash the evils of terrorism on the community. They pledged to sustain the intensive patterns of cooperation between the security forces on both sides to ensure that the threat of violence and terrorism from every quarter is confronted as effectively and comprehensively as possible by the resources of the law and that those who resort to such crimes are brought to justice.

L in Northern Ireland

4. The Taoiseach and the Prime Minister considered the prospects for a resumption of political dialogue. They agreed on the need to address all of the key relationships involved and to work towards an outcome which would reconcile and adequately accommodate the rights and identities of the two major traditions that exist in Ireland. Their aim is to achieve a new beginning for relationships within Northern Ireland, within the island of Ireland and between the peoples of the two islands, and thus make a decisive break with the legacy of past mistakes and failures and lay the foundations for lasting peace.

help

5. They appealed to the political parties in Northern Ireland to play a full and constructive role in the search for political progress, which the peoples of both islands fervently wish to see in place. They agreed that contacts

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would continue with the parties, ^{there} ~~with a view to seeking a way forward.~~

6. They agreed also to continue their discussions on those issues relating to the process which were ultimately for decision by the two Governments, so that their joint resources could be brought to bear ~~as effectively as possible~~ on relaunching the search for political progress, and ~~guiding it towards success.~~
7. They agreed to take stock of the position and to decide on further steps at their next meeting, to be held in the second half of the year.
8. The Taoiseach and Prime Minister also reviewed progress in North/South economic cooperation and welcomed the full programme of work being carried out in the Anglo-Irish Conference in this field.
9. [EC issues]

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