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Filed on:

From the Private Secretary

11 June 1996

Dee Jamnath,

BILATERAL WITH THE TAOISEACH

After the opening of the Northern Ireland talks on 10 June in Belfast, the Prime Minister and Taoiseach met for almost an hour to talk about EU issues. The Taoiseach was accompanied by a member of his office responsible for EU affairs and Shane Kelly, his press spokesman. Jonathan Haslam and I were present on our side.

BSE

The Taoiseach asked what we were looking for at Florence. The Prime Minister said we were keen to solve the problem before Florence if possible. We wanted a comprehensive framework for progressive lifting of the ban. We hoped the Commission and Presidency would endorse our proposal. It could then go to the SVC, perhaps to Agriculture Ministers and thereafter to the Foreign Ministers' conclave on 17 June. He did not want a last minute negotiation at Florence. This would be difficult for everybody. So he hoped the future Presidency would help the present Presidency by supporting an agreement which need only be endorsed at Florence.

In response to the Taoiseach's question, the Prime Minister explained why we had become so frustrated with some of our EU partners. The Taoiseach tried to suggest that our exports to the EU were actually quite small, and that we had got the issue out of proportion, particularly when, for example, the US and Hong Kong continued to ban our exports. The Prime Minister said that this was certainly not the case for Northern Ireland and Scotland. Moreover the ban on exports to third countries was illegal and unnecessary. The Taoiseach wondered whether a regionally based relaxation might be a starter (the Prime Minister explained the political difficulties with this). He also commented that continental ideas of food safety were rather different from those in the UK and Ireland. Kohl had told him he wanted a solution but meanwhile the UK's non-cooperation policy was stoking up bad feelings.

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MeL

The Prime Minister retorted that we were only responding to our partners' lack of cooperation. The so-called spirit of Turin had proved illusory. The non-cooperation policy was the least that could have been justified domestically. And if other Europeans pushed the situation into a real crisis, the present line would be unsustainable. But he did not want such a crisis and all talk of "war" was absurd.

The Taoiseach said he was going to a meeting of Christian Democrat heads the following day. What should he say to the likes of Juncker, Dehaene, Prodi, and Aznar? The Prime Minister said the message should be on the following lines:

- this was a serious domestic political problem for Britain and the non-cooperation policy was the minimum acceptable to public and parliamentary opinion;
- the draft framework was a good basis for a settlement;
- we wanted a deal before Florence, rather than a high profile negotiation there;
- emphasis on slaughtering more cattle would be very unhelpful as it could not be got through parliament, quite apart from its lack of justification.

IGC

The Taoiseach said he hoped some progress could be banked during the Irish Presidency, as not much had happened so far. Britain often seemed to be in a minority of 1. Could we accept progress on eg QMV or Europol? The Prime Minister said that we could agree to a solution for Europol and the ECJ straightaway if BSE could be settled. QMV was more difficult for us, but we wanted reweighting of votes. Meanwhile we had objectives of our own, for example relating to the Working Time Directive and abuse of Article 118A. We should also be able to cooperate closely with the Irish Presidency over issues such as CFSP, defence and Treaty simplification.

Employment

The Taoiseach asked about our attitude to Santer's Employment Pact. Could we live with the concept of social partnership, which was important for others? The Prime Minister said that Santer would have problems with the Dutch and the Germans over more expenditure, as well as with us. We might be able to live with social partnership as long as it was absolutely clear that we would not be expected to practice it nationally.

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EMU

The Taoiseach asked whether the Prime Minister thought this would go ahead in 1999. The Prime Minister thought not. But if it did it would mean that the criteria had been fudged, even for Germany. Meanwhile Spain and Italy could not qualify but would find it difficult to accept their exclusion. It would be very dangerous to go ahead with a small group.

Competitiveness

The Taoiseach asked whether talk of other EU countries wanting to force Britain out was serious. The Prime Minister thought not. But we were at odds with the EU in some fundamental ways. Many of our EU partners were intent on piling on more social costs, despite 20 million unemployed. This was crazy. The real battle for markets was against the US, Japan and the Far East, and the idea of handicapping Europe further was unacceptable. The Taoiseach said that the flow of such legislation from the Commission was much reduced, although the Socialist bias of the EP did not help. The Prime Minister commented that the flow had not stopped.

Russia

The Taoiseach asked about prospects for the elections. The Prime Minister said that the polls showed Yeltsin doing much better and Zyuganov stuck, but they might be completely unreliable. We hoped Yeltsin would win, but thought that if Zyuganov won, while he would no doubt be very difficult for a few months, he could not turn the Russian clock back entirely. He would have to come to terms with the West, not least because he needed Western help and money. Zyuganov himself did not seem to be a wild-eyed nasty, although he might be surrounded by some. Meanwhile Russia was a proud country and her current inability to stop NATO expansion, deal with her terrible internal problems, and treat with the US on equal terms caused great psychological difficulties.

Bosnia

The Taoiseach asked about IFOR. Would the Americans leave at the end of its mandate? The Prime Minister thought the Americans would be pragmatic. They did not exclude some troops staying on in a smaller follow-on force. But even if they did not, Europe might have to face up to its responsibilities in a problem on its doorstep. Meanwhile it was worth recalling the size of the British contribution to IFOR when talking about Britain's role in Europe.

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Drugs

The Taoiseach said that this would be a particular theme of the Irish Presidency, including;

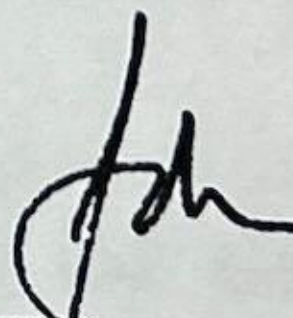
- closer cooperation between national forensic science laboratories;
- closer cooperation between customs authorities;
- better coordination between customs and police;
- review of the adequacy of the protection of external borders;
- greater uniformity of sentencing policy.

The Prime Minister welcomed this focus and said we would do our best to help. We might have ideas of our own which the Irish Presidency could helpfully promote.

In conclusion, the Prime Minister said he would welcome a further discussion with the Taoiseach at the beginning of the Irish Presidency, perhaps over a private meal.

I am copying this letter to Nick Macpherson (HM Treasury), Ken Sutton (Home Office), Alun Evans (Department for Education and Employment), Frank Strang (Ministry of Agriculture, Fisheries and Food) and to Jan Polley (Cabinet Office).

Yours ever



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