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*Secretary  
copy for information. There is a P.D. about this  
Friday to be answered by Mrs Mitchell. I shall  
be briefing him at 1.45*

**Taoiseach's Meeting with Mr Tony Blair, Leader of the British Labour Party, 17.12.96**  
**Thursday, 12 December, 1996, Government Buildings, Dublin**

(27)

**Background**

Mr Blair was in Dublin for a meeting of leaders of European Social Democratic parties that was taking place on the occasion of the Dublin II European Council on 13-14 December, 1996.

**Report**

1. Mr Blair was accompanied by Mr Jonathan Powell, his Chief of Staff, With the Taoiseach, were the Attorney General, Mr Phillip McDonagh, Counsellor, London Embassy and the undersigned. In summary, the most important aspects of the meeting were:

- (1) on Northern Ireland, Mr Blair very deliberately conveyed that any future Labour Party Government led by him would give just as high a priority to Northern Ireland and to the peace and political processes as Mr Major has done;
- (2) on EMU and the EU, Mr Blair commented that
  - (a) Chancellor Kenneth Clarke had done the Labour Party and the UK a favour, by holding the Conservative Party to the position taken by Mr Major's Government that the UK would keep its options open, so as to be able to decide, at the appropriate time, whether it would participate in the single currency from the outset; and
  - (b) largely as a result of the Government and the media, British public opinion was now violently hostile to Europe, that a future Labour Government would set out to reverse this, that this would be a formidable task requiring great care and the avoidance of exposing flanks or giving hostages to fortune but that he was confident they would succeed.

2. The Taoiseach welcomed Mr Blair and paid tribute to the activities of Ms Mo Mowlam and the contacts she maintained, which ensured that the Irish Government was well informed of Labour Party thinking in regard to Northern Ireland. He praised the balance of Labour Party policy and the attention given to the issues. He understood that constraints under which they had to operate, pending entry to Government.

3. He hoped to hear about Mr Blair's attitude to EMU and whether Britain might enter in the first wave. We in Ireland were still very much affected by the

movements of sterling which had led to the Irish pound moving to the top of the parity grid in the EMS. For us, it was important to have the maximum possible degree of predictability in regard to British policy, as well as good economic relations. We also wished to have the same currency in use in the two parts of Ireland.

4. In Belfast, the talks process had been frustrating. But they were taking place against the background of 400 years of conflict and 25 years of violence, as well as an underlying sectarianism that was as much beyond the Taoiseach's ken as that of Mr Blair. Thus, while there had been major difficulties, we should be slow to discount the value of having a talks process in being and of any progress made. On the ground, there had been a trend towards de facto cantonisation as the two communities increasingly concentrated geographically. The names of both Protestants and Catholics in the North showed that in the past there had been greater intermarriage than is now occurring. This sectarianism created a bad undertow for the talks, against which the participants had to try to swim. Thus, one should not hastily take too harsh a view of the talks process.
5. As regards how likely was a restored IRA ceasefire, the Taoiseach was agnostic. He did not know. There was a strong possibility that the Republican movement had a political, long-term strategy involving the tactical use of violence. It was difficult for democrats to deal with them. The Irish Government's difference with the British Government was that we thought it better to call the Republican bluff, if bluff it was, as had been done in the Forum for Peace and Reconciliation, where they had been challenged to, but had failed, to sign up for the principle of consent. The British Government looked for proofs, in advance, that a ceasefire was permanent but the reality is that it is not possible to get such proofs. This related to the particular type of pride of Republicans who had to be able to maintain to themselves that they were undefeated.
6. As he saw it, if you pursued certain objectives for 25 years through violence and then ceased the campaign with those aims unfulfilled, then you had been defeated. But Republicans cannot and will not admit this and asking them to indicate in advance that they will do various things only makes it harder to realise the aim of a ceasefire that would be durable.
7. The Attorney-General noted that the talks were proceeding on a timescale, like that of the problems, of 400-500 years! One had international 'heavy hitters' presiding over wrangles one would associate with the level of less progressive local authorities. Parades raised major difficulties in the North - they were used as an instrument to proclaim dominance. Policing was a problem calling for serious attention. On the other side, punishment beatings were going ahead in a

horrific way and too little had been done to confront those responsible. Drumcree had been very damaging. The reversal of the original decision was widely seen as a cave-in on the principle of the rule of law and as sending a very serious subliminal message - that force matters, in the end. Sinn Féin and the IRA were the remedial class of Irish nationalism. The Government sought to bring them up to the level of the mainstream class, rather than have them outside in the schoolyard throwing stones.

8. Mr Blair said that he wished, very consciously, to convey two messages. The first was that reported in paragraph 1 above. The second was that he had stayed close to the British Government for two reasons. Firstly, if Labour had put pressure on the Government to be more open to the Hume initiative, it would have made it harder for Major to handle those in his own party who could cause problems. Secondly, Labour were anxious to lay a basis for retaining bipartisanship when they took office, rather than have the Tories drift away to the right. Bipartisanship now would, they hoped, help with this - but how much remained to be seen.
9. It was difficult for people on the outside, as the Labour Party were, to know whether a restored ceasefire would be genuine or not. "Who knows"? They could only make a judgement, against a wish to try to bring Sinn Féin into talks. He found it difficult to get too excited over the specific issue as to whether a date should be specified for their entry. He wished to reiterate that, if elected, Labour would give the whole issue their best shot. The concern was that if one did something, would the unionist parties walk out of the talks. The Taoiseach referred to the rule of sufficient consensus for decision-making. If the Ulster Unionists walked out, no decisions could be taken in the talks.
10. The view of the Irish Government was that, whatever might be intended as to its durability, the longer a ceasefire went on, the harder would it be to return to violence. Mr Blair concurred, while noting that there may be an element within Republicanism which is really unreconstructed and perhaps never can be.
11. On EMU, Mr Blair said that the Chancellor of the Exchequer, Mr Clarke, had last week, done "us" a favour, by keeping the Conservative Party on the position the British Government had taken: that it would retain the option to decide at the appropriate time whether to join up to the single currency at the beginning or not. Labour would adhere to this and keep their options open. There was an obvious difficulty about the UK being in the first wave. The key factor was how was British public opinion moving? At the moment it was violently hostile, with 80% against participation from the outset. The Labour Party will fight the election on a pro-Europe platform. It would keep its policy options open, but would hold to the principle of involvement in Europe.

12. In his view, it would now be impossible for a Conservative Government to go into EMU from the outset. There had been a time when this might have been possible. Now, the issue was whether the Government would wrap itself in the pound sterling, go into an election on that basis and then on to a referendum. The Labour Party retain freedom of manoeuvre. They need to be sure EMU would work economically and they need to bring public opinion along. The Taoiseach asked whether Labour envisaged a referendum. Mr Blair said that if the issue had to be decided in the lifetime of the next Parliament, a referendum would be needed as Labour would not have sought a mandate on the issue. If the issue arose later, a mandate could be sought at the following election. The Taoiseach wondered about the behaviour of the markets during any campaign (? referendum or election, on EMU). Mr Blair thought that much would depend on what would happen on the debate developed. Hitherto, the voice of business had been absent from the debate in Britain.
13. For a lot of Conservatives, there was a constitutional objection to participation in a single currency. For Labour, there was no such issue, if the economic effects were judged to be satisfactory. Within the Labour Party, he (Mr Blair) is not under any significant pressure in relation to EMU. There are some worried about possible deflationary effects but very few even on that point.
14. Referring to the draft text of a Treaty emerging from the IGC and tabled by the Irish Presidency for the Dublin II European Council, the Taoiseach said that the intention was simply to get broad agreement that it represented a satisfactory basis for the negotiations in the next phase of the IGC: it was not intended to negotiate the text itself. Mr Blair noted that the Conservatives in Britain were seeking to exploit the European issues to gain electoral advantage. He had blocked off any avenue for that on EMU. They might now turn to the IGC. Labour would have to fight this in a way that would not unduly expose flank, for example, in the Justice and Home Affairs area. The Taoiseach noted that electoral considerations also arose in other Member States. The French want to get the IGC over before their National Assembly elections, which they wished to bring forward, so as not to affect the next Presidential election.
15. The Taoiseach indicated that following the failure of Messrs Kohl and Chirac to resolve at Nuremberg the stability pact issue, the overall outcome of the Dublin Summit was a bit up in the air. The Finance Ministers were to meet that evening and he had told our Minister for Finance to get a result. This would be difficult. The matter was complicated by an internal row within the Bavarian CSU between Messrs Waigel and Stoiber.
16. The Taoiseach asked how Mr Blair saw the constitutional debate in Great Britain, as regards the idea of a written constitution a Bill of Rights, devolution for Scotland and Wales etc. He was aware the party had published a lot. Mr

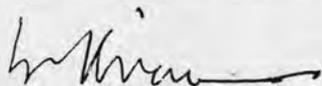
Blair said that the Party had honed down their position a lot - to devolution for Scotland and Wales and, in the right circumstances, Northern Ireland, a Freedom of Information Act, the incorporation of the European Convention on Human Rights and reform of the House of Lords. They were not committed to bringing forward a specific British Bill of Rights. There would be referenda on devolution in Wales and Scotland, before legislation was put through Parliament. In answer to a query from the Taoiseach, Mr Blair indicated that simple majority would be the decision rule in these referenda. A lot of work had been done, on a basis of broad agreement, in the Scottish Constitutional Convention. The aim would be to get the programme under way fast, after taking office, with the referenda to be held within weeks.

17. The party's priorities in government would be in education and in welfare reform, although devolution, Northern Ireland and Europe would, they recognised, take up a lot of time. It was difficult for a Leader of the Opposition to set the agenda on such major issues as Northern Ireland and it was better to keep clean hands. The same was true on Europe, where public opinion would have to be turned around. Most people in Britain did not want to get out of Europe, rather that they should not go further into it. But the worry was that the majority of British newspapers now favour British withdrawal from the European Union. The Taoiseach commented on the concentration of newspaper ownership in Britain in the hands of non-Europeans.
18. Turning to education, the Taoiseach noted that the present British Government had brought in national standards and a national curriculum but that the results did not seem to be commensurate with the efforts made. How did Mr Blair analyse the educational problems? Mr Blair responded that while the current Government had made certain changes, education had not really been a priority for it. In the past, education had been unduly influenced by ideologies on the left: now the risk was of damage arising from ideology on the right e.g. Mr Major's proposal to have a grammar school in every town. What made good schools were effective Heads, good teachers who were well-trained and letting them then get on with their job. Different abilities could be catered for in comprehensive schools by streaming and other approaches and it would be a grave error to go back to the Eleven-plus. The Taoiseach said that when he was spokesman on Education for his party, he could, when visiting schools, clearly see the major differences that good Heads made. Here, schools were essentially run by the managements who did not have to respond to political pressures and this seemed to work well.
19. There followed some discussion of relations within the Social Democrat and Christian Democrats in Europe, in the course of which Mr Blair noted that having Ms Pauline Green as a Vice-President of the European Parliament had

been a great help. There was now a genuine consensus on the centre-left in Europe on the importance of having a competitive economy.

20. Turning to UK-Ireland (East-West) relations, the Taoiseach referred to his urging on John Major the need to enrich these. On European issues, his experience had been that he had less intensive relations with John Major than he had with the Portuguese Prime Minister, despite the close links across the Irish Sea in trade, business etc. Mr Blair said that Labour, in Government, would be keen to widen things out beyond the Franco-German axis and therefore to widen out dealings with other countries. The Taoiseach noted that English was now the lingua franca in discussions on European issues and how much this gave the British the potential capacity to influence negotiations. At the Taoiseach's invitation, the undersigned referred to some positive developments in East-West relations, including the significant development and improvement, recently, of transport links and the work of the Anglo-Irish Interparliamentary Body.

The meeting concluded at this point.



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Walter Kirwan  
Assistant Secretary  
Department of the Taoiseach