



An Chartlann Náisiúnta National Archives

Reference Code: 2021/100/1

Creator(s): Department of the Taoiseach

Accession Conditions: Open

Copyright: National Archives, Ireland. May only be reproduced with the written permission of the Director of the National Archives.

16
Mr. Mahony
to make it for file
Siltone 4.12.98.
You may wish to
make copy for file
3.12.98

SECRET

MEETING BETWEEN THE BRITISH PRIME MINISTER AND THE TAOISEACH, THURSDAY, 26 NOVEMBER 1998

Irish Delegation : Taoiseach, P. Teahon, T. Dalton, D. Gallagher, Ambassador Barrington, Joe Lennon, M. Mansergh

British Delegation : Prime Minister, Ambassador Sutherland, Alastair Campbell, Bill Jeffrey, J. Holmes

The Taoiseach complimented the Prime Minister on his speech, and referred to the value of co-ordinating their efforts on European issues. He reviewed the events of the last three weeks trying to tie things down, from the roundtable conference, the fairly unproductive meeting last Tuesday at official level, and the more positive meeting he had with David Trimble last Friday, where Trimble was prepared to agree to more than 6 bodies, perhaps 7 or 8. The two outstanding difficulties were over EU Programmes and business development. Seamus Mallon had been pressing us all along to include inward investment. David Trimble had a problem with this, but was prepared to look at business development and cooperation.

Dermot Gallagher said an enterprise development body was now very close to agreement. They had worked with Seamus Mallon till 1.30 a.m. that morning, and he had signed off on it, on condition it could be sold to David Trimble.

British officials were happy to recommend it.

The Prime Minister said he had spoken to Trimble very quickly, and his problem was with having a body managing programmes and directing money.

Paddy Teahon said it was not credible to go back on this.

Bill Jeffrey said the body would exercise managerial functions on the basis of agreed budgets and policy objectives.

Paddy Teahon spoke of the differences in culture North and South, with semi-State bodies operating here, whereas Departments operated most matters directly in the North.

The Prime Minister made a suggestion about exercising managerial functions, where there was a mutual interest. It was agreed officials would work up language on this.

The Taoiseach expressed concern about extremists getting going, if there was a drift, and we had to roll things over without progress over Christmas. There was a danger of chaos and people killing each other, as happened last Christmas. Friday week was the deadline. There should be a roundtable to announce Departments and the agreement on Bodies.

The Prime Minister said he believed it could be done next week, and the British Ambassador claimed on the basis of a brief conversation with him that Trimble really wanted to work out a deal.

If other matters were settled, the shape of things would be apparent. It was a question of redefining decommissioning so as to avoid surrender. He did not consider in the context of the Agreement it was a valid argument for Republicans to make. His view was that it was not very productive to pile on more public pressure. Private contact and influence was likely to be more productive. He enquired if de Chastelain might be in a position to say anything more.

The Prime Minister agreed with that and with defining decommissioning to de Chastelain's satisfaction. There should be no rubbing of the IRA's face in it. If a gesture were to take place, they could prearrange an announcement that same day that the Executive could be formed with no preconditions.

The other alternative was that the IRA could use words, and change its constitution. Trimble would have to go back to his people. There could be a powerful set of statements, incorporating Seamus Mallon's proposal. They could be as flexible as they wished, provided something happened that could be called decommissioning. He felt if anything Sinn Féin's position had hardened.

The Taoiseach agreed that the delay on the Executive had hardened positions. In terms of the Agreement, Trimble was wrong. But the IRA were also wrong saying no or never. If we could say everything was ready to move, we would be in a stronger position. The Taoiseach believed the Republican Movement would physically have to do something. One could be working out words, and just go into the sand.

The Prime Minister agreed with that, that a form of words would only be good for a short period of time and would only be putting off the day.

Tim Dalton said policy decisions on basic issues were taken by the IRA. They had not taken a policy decision on decommissioning, but were certainly discussing it. There were indications of a possible meeting, which would achieve that. But there was no way Adams or McGuinness could say anything beyond a fudge, until the Executive had advised the Army Council what to do. He believed they knew they had to have something tangible. Many would feel they cannot do it. They would need a lot more than 51% to move.

The Prime Minister said they needed to bolt down the situation and then get them to move. De Chastelain could not go much further.

In reply to a question from the Prime Minister about the 'Real IRA', Tim Dalton stated that there were conversations taking place in North Louth and South Armagh. They were out of funds, paying out a £1,000 a week to prisoners, and trying to purchase equipment. Political progress was anathema to them.

The Taoiseach said we would keep sitting on them North-South, and that we were as likely to get a lucky break as they were. They would like to talk to the system, and refusal to do that drove them more underground.

The Prime Minister said he had always taken the view that if people wanted to talk you talk.

The Taoiseach raised the issue of Sellafield, asking particularly when was he going to close it. He said there was always a major problem. when there was something new like the Mox plant. The Minister and Department of Energy were quite wound up on the subject of plutonium reprocessing and the danger levels. He pointed out that we had not gone off to Europe to jump up and down.

The Prime Minister said if there were a genuine cause for concern his public would also be worried.

The Taoiseach raised some European issues, the Draft Information and Consultation of Workers' Directive, which would be damaging to both economies, and the harmonisation of business tax on which he would be very hardline. When Jospin had attacked him on it, he replied that he had a very high unemployment rate of 20%, and had had to forego many things to get jobs for the unemployed. He spoke of the difficulties of getting jobs to the less well off parts of the country, regardless of the permitted growth rate.

The Prime Minister said he was basically in agreement on all these topics. He wanted a good Structural Fund package for Northern Ireland, Objective 1 or something similar. Subsidiarity was important. Ruairi Quinn would work on the European Socialist Group on tax harmonisation. More taxes and a more regulated Europe would not be a good message to be sending out. He wondered if Schroeder was giving Jospin enough rope to hang himself. The German Minister of Finance was supposed to give stability to the DM/Euro. Reference was made to Monti's comments supporting the British position.

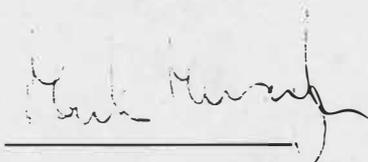
The Prime Minister said the Spanish and Dutch would be very important. He would speak to PM Kok. It would not do Europe any good. He believed it was better to have a lower and more transparent rate of tax.

Paddy Teahon said Europe was competing with the world. The ECB had had to say no, and the whole thing at Portschach was out of order.

The Prime Minister said the test was, does it promote jobs and make Europe more competitive. It looked like Lafontaine was trying to get out of difficulties of structural adjustment. He mentioned he was meeting Netanyahu that evening, and commented that he might agree the steps to be taken, there needed to be a driving will.

He referred to external interest in the Northern Ireland situation for its lessons.

The Taoiseach and Prime Minister then went off to sign an agreement on mutual assistance in relation to criminal matters. and issued a joint statement on a Joint Research project on Special Needs Education.



2 December 1998