

Peace Divided Face

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EUROPEAN COMMISSION

Office of BRUCE MILLAN
Head of Cabinet

L Taylor
Mr. Hughes

Investment Conference

Brussels, 15 December 1994
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W. Ganshule
23/12.

NOTE FOR THE FILE

cc: Mr Millan
Mr Landaburu
Ms Pyke
Mr Poulsen

Mr Trojan
Mr Budd
Mr Brosnan
Mr Larkin
Ms Morrice

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2) cc: Sir J. Kerr
Mr Capella
3) Dr. Milligan

NJ
16/XII

MR MILLAN'S MEETING WITH THE US SECRETARY OF COMMERCE, MR RON BROWN: 15 DECEMBER 1994

Mr Brown gave a positive account of his visit to Belfast for the UK Government's Investment Conference, where he had shared the platform with, among others, Carlo Trojan. He was optimistic about the prospects. PM Major had commented to him at the dinner that a gathering which covered so many different parts of the community was unprecedented in Belfast. Mr Brown had also visited Dublin.

Mr Brown said that he was informed of the EU's involvement in Northern Ireland and of BM's commitment in particular. The US regarded the EU contribution as helpful in terms of US interests. He mentioned the US's contribution through the IFL. He emphasised the personal involvement of President Clinton. The US was supportive not just because it was the right thing to do, but also frankly because 40 million US citizens had some claim to Irish origin. Mr Major's Conference had been in a sense a response to President Clinton's proposal for a conference in Philadelphia in April. Mr Brown said he would be pleased if Mr Millan and/or his associates could attend. The US approach was to encourage private-sector investment. The presence of business people at the Conference in Belfast would have helped to change perceptions, especially about the security situation. Businessmen from 14 countries had been represented. Mr Brown stressed finally the importance of developing economic relations between the North and South.

Mr Millan referred to his frequent visits both to Ireland and Northern Ireland and to the large amounts of structural funding in both parts of the island. Aid rates were higher in Ireland, but much had been done in the North as well. He referred to Belfast Airport and to port improvements in Derry and Belfast. EU money also contributed to training and there was also a programme specifically concerned with reconciliation between the communities, which had predated the cessation of violence.

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Mr Millan said that he had been struck by the constructive and optimistic spirit which had ensured the continued existence of a good degree of "normality" in economic activity, even at the worst of times. It was clear that, if the peace process could be sustained, as we all hoped, there were good prospects for economic growth. The political pressures against reversing the process were huge, but the talks were of course so far about talks and not about substance. Even the more hardline politicians, however, were in his experience quite constructive on economic issues.

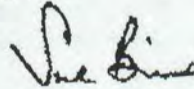
Mr Brown agreed that the economic questions could often provide common ground. His impression from contacts with the Republican side was that they were prepared to be constructive.

Ambassador Eizenstat asked about the split of the EU's new initiative between North and South. Mr Millan said that 75% to 80% would go to the North. He was pleased that the Irish Government had agreed to reallocate some of their INTERREG money towards the border counties. With its focus on cross-border cooperation, INTERREG provided a useful model in terms of institutional arrangements and it was hoped that these could be in some way reflected in the arrangements for managing the new initiative. Mr Millan also referred to cooperation between the representative business organisations in Belfast and Dublin, which the Commission had encouraged by financing a joint study for them. Such cooperation was relatively new.

Mr Brown said that he had not previously appreciated the degree of division. There were now high expectations about the possibilities for developing North-South economic relations. Mr Millan agreed that there was evidence that the divisions were now being broken down, but religious feeling would continue to be a factor. He compared the situation with that in Western Scotland which had some of the same features. Segregation in the school system would be particularly difficult to eliminate. Speaking personally, he thought Mr Major and Sir Patrick Mayhew had handled the whole issue very effectively and courageously so far. Mr Brown agreed. He said that change in Northern Ireland had been very rapid in many ways.

Ambassador Eizenstat asked about the effectiveness of EU policies. Mr Millan said that generally in Objective 1, although considerable resources still went into investments in infrastructure (which have a medium to long-term impact), he had tried to shift spending increasingly towards help for the small business sector (eg advance workshops/"incubators" etc) and these measures had mostly been successful. In Northern Ireland, the EU tended not to support private investment since there were already generous government packages for this. It was clear that the violence had reduced the impact of EU spending. The peace process should ensure much better returns.

Returning to the Philadelphia Conference, Mr Millan said that he would have been pleased to attend, but would no longer be in office. He would favour representation at the Commissioner level and would pass on the message to his successor. Mr Brown said that the US side had so far been very much impressed by the level of interest in US business. Nine CEOs had attended the Belfast Conference.



Susan M Binns