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Visit to Washington D.C. by the Secretary,
Department of Foreign Affairs 17-18 July 1985

1. The purpose of the visit was (a) to inform key contacts in the US Administration and in Congress of the current state of Anglo-Irish negotiations and (b) to explore with them the possibilities of obtaining political and financial support for an agreement, should one emerge in the next few months. The main conversations were with Speaker O'Neill and Kirk O'Donnell from his office, Senator Kennedy's adviser Carey Parker and briefly the Senator himself, Judge Bill Clark and at the State Department A/Sec. of State Rick Burt and his Deputy John Kelly. Detailed notes of the conversations are attached. In summary, the position appears to be as follows.

2. There will be no difficulty in getting political support for the sort of Anglo-Irish agreement being contemplated either from the US Administration or from the Friends of Ireland in Congress or individually from Speaker O'Neill and Senator Kennedy.

3. The principle of a US financial contribution to a Reconstruction/Reconciliation Fund appears to be accepted, both in Congress and in the Administration. There is, however, a wide gap between the amounts envisaged. Kennedy thinks we should aim for a total of \$1,000,000,000 and not settle for much less. O'Neill did not want to talk figures at this stage but Kirk O'Donnell thought we would do well to get the Cyprus figure viz. \$25,000,000. Bill Clark did not want to talk even in round numbers at this stage but seemed somewhat taken aback when I referred to the Cyprus figure. He wants to see what sort of projects we are thinking about before beginning to think figures. Assistant Secretary of State Burt said that he was not in a position to give any formal assurances but informally he thought the Cyprus figure was "not a bad figure from which to start talking" and overall he was as optimistic as he had been in conversations in February last.

4. Clark will come to Ireland around '20 August and would like at that stage to have a much more detailed picture of the sort of reconstruction and reconciliation projects we have in mind. He wishes to keep his visit as quiet as possible but, if we thought it useful, he would make a quick visit to Northern Ireland to talk to people there who would give him a first hand account of how the fund might usefully be spent.

5. Burt agreed to set up a meeting in Helsinki between the Minister and Secretary of State Shultz. We agreed that it was best to keep it low-key and therefore to arrange it on the margins of a reception or dinner. Burt will have briefed Shultz that the main purpose of the meeting is to discuss the extent to which the US might be able to contribute to the fund.

6. All those I spoke to thought it essential that both the British and Irish Governments should contribute to the Fund. Burt and O'Neill thought that the size of the contributions by

both Governments would be a major influence on the scale of US support. I did not give any assurance that there would be contributions.

7. The negotiation of the US budget for fiscal year 1986 which begins on 1 October 1985 is unusually difficult and bitter, even by Washington standards and that is a very relevant part of the background against which we will be seeking support. A detailed paper on the budget process is attached. Somewhat unusually, the house-Senate negotiations have collapsed and the White House has at this stage become a controversial third party, siding sometimes with the Senate and at other times with the House. It should be noted in particular that the President is determined to cut federal spending to achieve a significant reduction in the budget deficit. Even in US terms, \$1,000,000,000 in one year is a significant amount (it is, for example, slightly more than the 1986 budget proposed for operating one of President Reagan's favourite agencies, the propagandising US Information Agency run by his friend Charlie Wick) and it may well be that we should think in terms of a figure spread over a number of years.

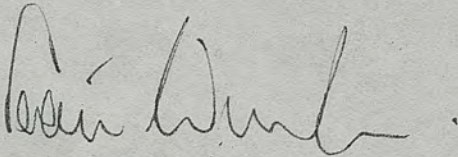
8. Because of the collapse of the budget negotiations, it is impossible to predict the passage of financial legislation for the rest of this year. Indeed it is impossible to predict even when Congress might go into recess - estimates vary from mid-October to mid-December! The Speaker's Office seems confident, however, that if we give them a private go ahead in the first half of September and enable them to begin to go public in late September/early October, it should be possible to ensure that funds would be available for Ireland in fiscal year 1986. Technically, there are a number of ways in which to proceed and there are no worries in that score. There are, however, some difficult local political decisions for our friends, in particular should they try to proceed on the basis of a privately negotiated Administration/Congress agreement on the amount or should e.g. the Speaker seek public confrontation with the President which might achieve a somewhat higher amount? The Speaker feels that President Reagan could not turn down significant help for Ireland, a country which has never previously sought anything from the US.

9. The three most obvious technical ways to proceed are

- follow the Cyprus model which would involve getting a new section into the Foreign Aid Bill (relevant papers attached). Assuming this was done, Congress would authorise the funding for Ireland but it could not be handed over without both Administration approval and appropriation by the relevant House Committee, either of which could impose conditions e.g. no assistance as long as plastic bullets are in use in NI or as long as Shorts employ less than 40% Catholics;
- combine the authorisation and appropriation stages in one step, under the continuing resolution which comes at the end of a session and carries forward existing programmes. A bill which would both authorise and appropriate can be inserted in the continuing resolution. Under this procedure the money can be paid immediately by the Administration without further recourse to any committee. This procedure

can obviously be used only at the end of a session;

- insert a bill in one of the catch-all appropriation bills that are occasionally passed. In this way, authorisation and appropriation takes place as one step and the money is made available immediately. It is difficult to predict when an appropriation bill might be going through Congress but there are usually five or six a year.



Seán Donlon
Secretary

23 July 1985

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