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Me Vally

Me Lilling Afedin

Comerce Barlio



IMMEDIATE

TO HQ FROM WASHINGTON
FOR SECRETARY FROM AMBASSADOR
UUUFXWAS

- 1. FOLLOWING OUR CONVERSATION OF THIS AM I MET WITH KIRK O'DONNELL AND SPOKE ON THE LINES WE HAD AGREED. I RECAPITULATED THE APPROACHES ALREADY MADE TO THE ADMINISTRATION VIZ (A) HELSINKI (B) VIA JUDGE CLARK (C) ARMSTRONG TO MCFARLANE (D) MY OWN CONVERSATION WITH STATE DEPT. I EXPLAINED THAT WHAT WE FELT THE SPEAKER MIGHT DO WOULD BE TO REACH AN UNDERSTANDING WITH PRESIDENT REAGAN ON THE SIZE OF A U.S. CONTRIBUTION TO THE FUND AND INDICATE TO THE PRESIDENT THAT IF THE ADMINISTRATION WERE TO SEEK THIS THE SPEAKER WOULD STRONGLY SUPPORT THE PASSAGE THROUGH CONGRESS OF THE APPROPRIATE MEASURE.
- WE APPRECIATED THE NEED TO HAVE REGARD TO THE SPEAKER'S POSITION IN U.S. DOMESTIC TERMS: HENCE OUR CONCERN TO ENSURE THAT THE ADMINISTRATION WAS WELL AWARE OF WHAT WE WERE SEEKING IN TERMS OF POLITICAL AND FINANCIAL SUPPORT SO THAT AN APPROACH BY THE SPEAKER TO PRESIDENT REAGAN COULD NOT BE MISCONSTRUED AS THE SPEAKER'S INITIATIVE OR SEEKING A PERSONAL FAVOUR.
- I EXPLAINED THAT DEVELOPMENTS SINCE YOUR OWN VISIT HAD REACHED A POINT WHERE A JOINT APPROACH BY THE UK AND OURSELVES WAS NOW A RELATIVELY STRAIGHTFORWARD MATTER AND THAT IF THIS WOULD FACILITATE THE SPEAKER WE COULD MAKE THAT APPROACH PRIOR TO HIS OWN CONTACT.

THIS IDEA CLEARLY APPEALED TO O'DONNELL AS YOU WILL SEE FROM PAR 3 OF OUR NOTE OF THE MEETING WHICH I AM SETTING OUT IN THE FOLLOWING PARAGRAPHS:

2. IN RELATION TO THE FUND AND THE SPEAKER'S ROLE, KIRK O'DONNELL

MADE CLEAR THAT THE SPEAKER DOES NOT WISH TO BE PUT IN A POSITION WHERE HE HAS TO ASK THE PRESIDENT FOR ASSISTANCE FOR IRELAND. THE SPEAKER FEELS THAT REAGAN HAS GOT A LOT OUT OF IRELAND AND THAT WE SHOULD IN THESE CIRCUMSTANCES BE ABLE TO CASH IN ON IOU. O O'DONNELL SAID THAT WHEN WE HAVE SECURED ADMINISTRATION AGREEMENT THEN THE SPEAKER COULD SAY TO THE PRESIDENT THAT HE WOULD GIVE THIS PROJECT HIS FULL BACKING AND TRY TO SECURE AGREEMENT ON THE HIGHEST POSSIBLE LEVEL OF FUNDING. HE FELT THAT WE ARE TALKING OF A FIGURE THAT STARTS AT 250 MILLION DOLLARS AND GOES PERHAPS AS HIGH AS 500 MILLION DOLLARS SPREAD OVER A PERIOD OF THREE TO FIVE YEARS WITH A POSSIBILITY OF RENEWAL AFTER THAT.

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- 3. O'DONNELL FELT THAT WE SHOULD NOW MAKE THE JOINT APPROACH TO THE ADMINISTRATION TO BE FOLLOWED LATER BY INFORMAL CONTACT BETWEEN THE SPEAKER AND THE PRESIDENT ON THE LINES ABOVE.
- 4. IN THESE CIRCUMSTANCES, O'DONNELL DID NOT SEE THE NECESSITY FOR HUME TO CONTACT THE SPEAKER AND IF THIS IS STILL TO BE DONE, HE SHOULD SPEAK TO O'DONNELL FIRST SO AS NOT TO RISK FURTHER CONFUSION.
- 5. O'DONNELL WAS MORE PESSIMISTIC THAN BEFORE THAT WE WOULD GET THE FINANGIAL PACKAGE THROUGH IN THIS SESSION IN VIEW OF THE LIKELIHOOD THAT THE SUMMIT WILL BE AFTER THE 14 NOVEMBER DEADLINE FOR THE CONTINUING RESOLUTION. HE WOULD LIKE ANSWERS TO THE QUESTIONS POSED IN M BURKE'S C281 OF 23 OCTOBER TO DAVENPORT. HE PARTICULARLY REFERRED TO THE AUDIT QUESTION AND THE WAY IN WHICH THE VENTURE CAPITAL CORPORATION WOULD BE CONTROLLED AND STRUCTURED.
- 6. TO SUM UP, IN O'DONNELL'S VIEW, THE SPEAKER
 FEELS THAT THE IRISH GOVERNMENT SHOULD BE IN A STRONG POSITION TO
 OBTAIN ADMINISTRATION AGREEMENT ON ITS OWN INITIATIVE. HE DOES NOT
 WISH TO HAVE TO ASK THE PRESIDENT A FAVOUR ON THIS BUT IS AGREEABLE
 TO APPROACH HIM (AFTER ADMINISTRATION AGREEMENT) TO INDICATE FULL
 SUPPORT AND OBTAIN AS HIGH A FIGURE AS POSSIBLE. THE ESSENCE OF
 O'DONNELL'S DESCRIPTION OF THE SPEAKER'S ATTITUDE WAS FOR O'NEILL TO
 BE PLACED IN A POSITION TO BE ABLE TO SAY TO THE PRESIDENT '!
 UNDERSTAND WE'RE ALL ON BOARD ON THE IRISH THING'. WE SHOULD
 THEREFORE MAKE AN EARLY JOINT APPROACH TO THE ADMINISTRATION, SECURE
 AGREEMENT AND THEN THE SPEAKER IN CONJUNCTION WITH THE ADMINISTRATION
 WILL GET THE FUND THROUGH CONGRESS BY THE MOST EXPEDITIOUS MEANS
 POSSIBLE AND CERTAINLY IN TIME FOR SOME MONEY TO FLOW IN FISCAL 1986.
- 7. NO DOUBT YOU WILL ADVISE JOHN HUME RE PAR 4 ABOVE AND ARRANGE TO KEEP US APPRISED OF DEVELOPMENTS.

END - PPBGCUFFONPWICXTO

AW

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