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D R A F T

6 July, 1988.

The Honorable Thomas S. Foley,
US House of Representatives,
1201 Longworth House Office Building,
Washington DC 20515,
U. S. A.

Dear Tom,

As you know, I have always attached the greatest possible importance to active and strong support from the United States for our efforts to bring about peace, stability and reconciliation in Northern Ireland. I was particularly pleased, therefore, to welcome the three-year commitment of support to the International Fund for Ireland which the US made in 1986. The value of this support extends far beyond the amount of money involved; it is, for instance, seen in Ireland, North and South, as an important and ~~very~~ practical symbol of your concern, your interest and your continuing strong commitment to ~~see~~ early political and economic progress ~~being achieved~~ in the North.

I have been personally very conscious that you and our many friends in Congress were extremely unhappy about the absence of a European Community contribution to the International Fund. This was due not to any unwillingness on the part of our European partners but to the fact that the British felt unable to give the go-ahead to a joint approach to Brussels. In the circumstances, and conscious in particular of how important a European contribution was likely to be for continued American support, I specifically asked Brian Lenihan to make the strongest possible official and personal representations on the matter to Geoffrey Howe and Tom King. You will be aware that the British have recently agreed to a joint approach and that the European Commission has responded very positively to our request for support. It now seems virtually certain that there will be a European contribution to the Fund for at least the next three years.

I would like to mention also that the Fund is now coming to the end of the first phase of its work, with programmes actively and successfully in place and monies allocated to them. The two Governments and the Board of the Fund have decided, therefore, that it would now be opportune to review the existing priorities of the Fund and to consider whether, in the light of the experience of the first eighteen months, these priorities might

be redirected to some degree. In particular, I would like to see the Fund responding in a more structured and targeted manner to one of the most pressing problems in Northern Ireland, namely the severe economic and social deprivation of the most disadvantaged areas and communities. One way of doing this, for instance, would be the establishment of a new programme - to be designated, perhaps, as the Disadvantaged Areas Programme. In my view, the greater proportion of the new resources available for the next phase of the Fund's work should be devoted to the disadvantaged areas. I would, I might add, also like to see support being given in the next phase for one or more imaginative cross-border flagship ~~projects~~.

I know you will appreciate how important it is both politically and financially that, as the Fund moves into its next phase, the United States maintains its strong support for it. There is, I believe, something of a question mark at present over the likely level of this support. As I understand it, there is an "earmark" of from 10 to 35 million dollars on the House side and of 10 million dollars on the Senate side. A conference will take place in the next few weeks between the House and the Senate to resolve the differences between the two Bills. I would be very concerned in case this envisaged consultation would result in agreement being reached on a figure which would be nearer the 10 than the 35 million dollars. I would, therefore, greatly appreciate it if you could do everything possible to ensure that the current level of commitment (i.e. 35 million dollars) is maintained for the next fiscal year or, if this proves impossible, that the figure decided on is as close as possible to 35 million dollars.

I regret having to trouble you with this difficult request but I know you will appreciate the significance of it politically and economically.

With warmest good wishes.

Yours sincerely,

Charles J. Haughey, T. D.,
Taoiseach.



AN ROINN GNÓTHAÍ EACHTRACHA
DEPARTMENT OF FOREIGN AFFAIRS

BAILE ÁTHA CLIATH 2
DUBLIN 2

6 July, 1988.

Mr. Dermot Nally,
Secretary to the Government,
Government Buildings,
Merrion Street,
Dublin 2.

International Fund

Dear Dermot,

I am enclosing a copy of a telex from Martin Burke in the Embassy in Washington in which he expresses concern that the American contribution for 1989 to the International Fund may well be closer to 10 million dollars than to the annual figure committed to date, i.e. 35 million dollars. The position at present is that the Senate has a figure of 10 million dollars in its Bill while the corresponding Bill on the House side has earmarked from 10 - 35 million dollars. Consultations will take place very shortly between both sides in order to reach an agreed figure.

It would be a great pity, and politically unhelpful, if the US were now to reduce substantially their contribution to the Fund. This is all the more so now that, after very great difficulty, we have succeeded in having the Board agree to a review and most likely a redirection of the Fund's priorities and, secondly, in getting the British to give the go-ahead to a joint approach to Europe.

In the circumstances - and I accept his view - Martin Burke has recommended that the Taoiseach write to Tom Foley and ask him to use his considerable political weight in order to achieve a satisfactory outcome to the consultations between the House and the Senate. The Embassy, of course, has been lobbying actively among all the personnel involved but Burke feels that a letter from here at the highest political level is now required.

I am attaching a possible draft for the Taoiseach and I should be grateful if you could have this matter considered.

Yours sincerely,

Dermot Gallagher,
Assistant Secretary.

cc: PSS