

RESTRICTED

31711

BELFAST COPIES BY TELECOPY  
DESK BY 10 AM

Mr Bell

cc PS/Sofs (L&B) - T  
PS/Mr Scott (L&B) - T  
PS/Dr Mawhinney (L&B) - T  
PS/Mr Viggers (L&B) - T  
PS/PUS (L&B) - T  
PS/Mr Bloomfield - T  
Mr Brennan  
Dr Quigley - T  
Mr Fell - T  
Mr Chesterton  
Mr Elliott - T  
Mr Gilliland - T  
Mr Spence - T  
Mr Hunter (DFP) - T  
Mr D A Hill

2800 2/1



**SECRETARY OF STATE'S LUNCH WITH CANADIAN HIGH COMMISSIONERS ON 21  
JANUARY**

The following is a necessarily impressionistic account of the discussion over the lunch given by the Canadian High Commission for the Secretary of State, attended also by the Australian and New Zealand High Commissioners, Mr Viggers and PUS. A separate note has recorded two points on which early action is required.

International Fund

2. I happened to be seated beside Mr Michael Phillips, Minister at the Canadian High Commission who is also provisionally the Canadian observer at the IF Board meetings. He emphasised that his authorities were well disposed towards us on the idea of a contribution and that delay was indeed merely for bureaucratic/Cabinet reasons. They were still considering a number of alternatives to the original loan guarantee scheme and were currently interested, as your brief pointed out, in the idea of a youth exchange scheme and youth training. He himself thought that the provision of youth training in both parts of Ireland was at a

RESTRICTED

/...

very high level and he did not see how his Government could contribute significantly. The point which he was at pains to make, however, was his concern at the US criterion of private sector schemes: his anxiety was that this criterion could not be met and that the increasing expectations within the community would therefore be frustrated, with over-spill effects in relation to attitudes towards the Agreement. This point was taken up in wider discussion round the table and generally acknowledged. A further point of concern put forcefully by the New Zealand High Commissioner was that Commonwealth countries were, at the very least, not encouraged to participate in the Fund because of the conspicuous absence of European participants. In response both the Secretary of State and PUS pointed out the difficulties on this point and argued, both on political and on technical grounds, for the importance of contributions, however modest, from countries other than the USA.

### Perceptions of NI

3. The Secretary of State asked the High Commissioners for an account of how NI was perceived in their countries. They all, without exception, reported that NI was perceived as a place with insoluble political problems and continuous violence. The main source of this perception and therefore its inaccuracy was television reporting. The Canadian High Commissioner reported that nonetheless the man in the Canadian street was interested to know if there was anything that his country could do to contribute to some solution: was there, however, any end in sight? In reply the Secretary of State pointed to the Agreement; argued that on the Loyalist side the suppression of terrorism would be seen as a major contribution towards a solution; but also said that, rather than channel support solely, too, for example, inter-communal groups, it would be more advantageous to contribute to the creation of jobs in NI. The New Zealand High Commissioner said that he had suggested to Mrs Heckler, US Ambassador to Dublin, that one effective way of helping NI would be to provide work, perhaps through joint ventures,

with H&W and Shorts. Although Mrs Heckler had reacted against this idea, presumably because of its public sector dimension, he himself believed that there was merit in it. The Secretary of State agreed and pointed out, particularly for Canadian ears, the MOU signed by Shorts and DHC.

Other Point

4. Mr Chesterton recently asked for feed-back on the Secretary of State's reaction to submissions. In relation to your minute of 20 January, although our commissioning note had confirmed that both the Australian and New Zealand High Commissioners had been invited by the Canadians, your briefing covered only the Canadian personalities and political etc situation; and it did not include a full note of other guests invited. It would be helpful if in future submissions of this sort that these data could be included.

DJ.

D J WATKINS  
Private Secretary  
22 January 1987