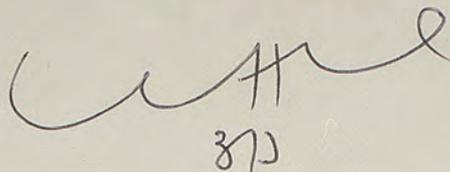


E.R.



PS/Dr Mawhinney (L)

cc: PS/SofS (L&B)
 PS/Mr Mawhinney (B)
 PS/PUS (L&B)
 PS/Mr Bloomfield
 Mr Brennan
 Dr Quigley
 Mr A Stephens
 Mr Chesterton
 Mr Elliott
 Mr Ferneyhough
 Mr Innes
 Mr Spence
 Mr Cowling
 Miss Elliott
 Mr S Hewitt
 Mr Ehrman
 Mr Clark, RID, FCO
 Mr Sheinwald, Washington Emb



ANGLO-IRISH RELATIONS - US AID

I have seen your note of 25 February to PS/Secretary of State about Dr Mawhinney's concern over a possible announcement by the US Government of aid to both parts of Ireland at a St Patrick's Day function (which would be in honour of Tip O'Neill and which the Taoiseach is to attend).

It would be more than undesirable for the Fund to appear to be offered on St Patrick's Day to the Taoiseach.

Sir A Acland, the FCO PUS, has already made representations in Washington, pointing out that it would be damaging for the Taoiseach to appear to accept a US package on behalf of both parts of Ireland, partly because three-quarters of any proposed fund would go to Northern Ireland: and partly because this would refuel Unionist suspicions of US involvement in the Agreement. We have ^{ourselves} spoken directly to our Embassy in Washington about this. We have been assured that the Americans have taken the point.

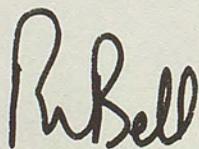
Nevertheless the US Administration will wish to exploit any aid which it gives to both parts of Ireland. Traditionally the day on which US

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politicians milk the sentiments of the 40M or so Americans who claim Irish ancestry is St Patrick's Day. It is hard to see how President Reagan will be able - or would wish - to avoid making some reference to aid on that day. He would have a considerable domestic audience, he would wish to please the Taoiseach, and Tip O'Neill is a highly respected Speaker with close links with Ireland (and perhaps the leading activist in Congress for aid to Ireland). We must be prepared therefore that the aid will be mentioned on that occasion. What is essential is to avoid any impression that the Taoiseach is receiving the aid on behalf of both parts of Ireland.

In practice we have found that the Americans are sensitive to our concerns in Northern Ireland: President Reagan's endorsement of the Agreement was a model of discretion. We have no reason/^{therefore} to fear that they will mishandle this event, although they will wish to use it to their own advantage. But the Minister can be assured that we will take the issue up again with our Embassy nearer St Patrick's Day, when we can check again that the message has been taken aboard in the US Administration.

I have also asked the FCO to ensure, so far as anyone can, that the Irish, assuming aid is mentioned, do not say anything either that could rebound against us.



P N BELL

27 February 1986