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Foreign and Commonwealth Office

London SW1A 2AH

14 March 1986

*Sample Mr Lythgoe 19/3
M 23/7
To see & vet 19/3 1135*

*Andrew
For filing a final
paper 26/3*

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Mr Blomfield
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Mr Bell*

A J E Brennan Esq, CB
Northern Ireland Office
Old Admiralty Building

My dear Tony,

- 1. I enclose as agreed a brief note of your meeting with the Minister at the US Embassy on 14 March about the latest moves in Washington on the proposed International Fund.

Yours sincerely

Gerald

G E Clark
Republic of Ireland Dept

Department of Finance
and Personnel
782.3
26 MAR 1986
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cc: A D S Goodall Esq, FCO
C Mallaby Esq, Cabinet Office

Department of Finance
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RECORD OF MEETING AT THE NIO ON 14 MARCH

1. The Minister at the US Embassy accompanied by Mr Reams called on Mr Brennan on 14 March to discuss our initial reactions to the Bill passed by the House of Representatives of US aid to Ireland, and to the Administration draft put forward in the Senate by Senator Lugar. Mr Seitz was particularly concerned about the clauses which appear at the end of the House of Representatives Bill (but do not figure anywhere in the Administration's draft) imposing conditions for the provision of the aid envisaged by the Bill. He wondered whether there was any chance of HMG finding them unacceptable and therefore rejecting the aid offered.

2. Mr Brennan gave a short account of how we reached the present position, describing briefly the course of the two rounds of talks in Washington on 13 January and 5-6 March. He said that he had shown the House Bill to the Northern Ireland Secretary, who had not voiced any objection to it, and while we should not place too much reliance on a negative inference he thought, speaking as an official, that the British Government could probably live with the conditions as drafted. We understood that the language used had been devised to circumvent the efforts of Congressman Biaggi and others to have more onerous conditions inserted, which would certainly have been unacceptable, and we assumed that there was not much chance of having the conditions at present in the Bill removed.

3. Mr Seitz confirmed that this was so. He thought that minor modifications might be made, and urged us to make our views known as quickly as possible if we wished to have technical points, drafting amendments to cover errors of fact, or improvements in the wording introduced before the Bill became too set in concrete. Politically he believed the Administration had no leverage to get the conditions out altogether. In answer to a question he said that he thought it could well be helpful to have some language in the Agreement with the Irish governing the operation of the Fund which might reflect the conditions imposed in the Bill. We said that there was language in the 1973 Northern Ireland Act which might be drawn upon, and which could have value in dealing with the sort of domestic criticism which might arise in some quarters (eg the Daily Express).

4. Mr Seitz explained that "certification" had been important in connection with US policy towards El Salvador. The reference to "equality of opportunity" also had a long legislative history in Congress. The opponents of the US Administration's policy in El Salvador had used the certification provisions as a device to harrass the Administration each year. They might use the same device in relation to Northern Ireland. On the other hand, there was plenty of opportunity for Congress to debate Northern Ireland anyway if it wanted. There were, for example, annual hearings on the State Department's annual report on human rights throughout the World. The incentive to stage political debates on the pretext of supervising the Fund would be much diminished if the Fund were truly international and there were a number of other significant contributors.

5. Mr Brennan thanked Mr Seitz for his clarifications. He said that we were in the process of revising the proposed Agreement to set up the Fund with the Irish. We would take into account what he had said. We would also take an early opportunity of confirming with our Ministers that HMG would not turn down the offer of aid on account of the conditions attached by Congress, and we would let the State Department know through our Embassy in Washington of any corrections of detail which we would hope could be incorporated in the Bill. Mr Brennan added that on the important point we preferred the House Bill. It provided for \$250m in cash. We were far from certain that we could achieve such a total under the arrangements proposed in the Administration's Bill. If we could not, it would be embarrassing to both donor and recipient governments.

6. Finally, Mr Brennan reaffirmed HMG's full support for the Anglo-Irish Agreement and said that we attached importance to successful establishment of the International Fund. For it to fail for political or technical reasons might well give the wrong signal to those who doubted our resolve.

REPUBLIC OF IRELAND DEPARTMENT

14 March 1986