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Ame 272/3
23 MAR 1993

ASST MM/861/3
SEC 22 MAR 1993
CENT SEC

UNDER/ 946/3
SEC
22 MAR 1993
CENT SEC

FROM: HM AMBASSADOR, DUBLIN

Date: 19 March 1993

cc (BLIS):

- PS/SofS (L&B)
- PS/Mr Hanley (L&B)
- PS/PUS (L&B)
- PS/Mr Fell
- Mr Thomas
- Mr Bell
- Mr Williams
- Mr Watkins
- Mr Cooke
- Mr Hill
- Mr Maccabe
- Chancery,
- WASHINGTON
- (by fax)

41/93

John Quinn
Michael
P22
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Mr Archer, RID, FCO - B

TAOISEACH'S VISIT TO THE UNITED STATES

1. Sean O hUiginn gave me an account this afternoon of the Taoiseach's visit to the United States, whence they returned this morning.

2. O hUiginn said that the meeting with Speaker Foley on 16 March had covered two topics, Northern Ireland and the tax-referral proposal (he could not remember its correct name, nor can I) whereby overseas operations of US multinationals would be taxed in the US at US domestic rates. The Taoiseach had also raised the latter issue with the President and the Vice-President separately, arguing that the proposal was not only bad for Ireland but would result in no gains for the US Treasury, since US multinationals would withdraw back to the US, and would put them at a disadvantage with other multinationals. Foley and the Vice-President had taken note. The President had commented that at present foreign countries were being allowed to pay US corporations to relocate abroad.

3. On Northern Ireland, Foley had been wary, saying that the recent Irish Times interview had "over-quoted" him. He wanted to be

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constructive, and to avoid the peace envoy proposal turning into a platform for people with extremist views. The Taoiseach had said that he thought US interest very useful and had emphasised his good relations with the Prime Minister and his trust in the latter's judgement. He too wanted to be constructive. Foley had seemed reassured that he was on the same wavelength as the Taoiseach. The Taoiseach had emphasised that, while there was little prospect of talks resuming before the local elections in Northern Ireland in May, he would do what he could to bring talks about.

4. The meeting with the Vice-President had been more general. The Taoiseach had gone over the need for an early GATT agreement and had expressed Irish appreciation of US involvement in Somalia. He had taken Gore through Northern Ireland issues. Gore had said nothing "operational", but he had expressed support for the talks and concern that the US should be involved constructively. The Irish had the impression he was not much involved in deliberations on Irish affairs. But there had been some talk on the environment, where Gore seemed to have a personal sphere of operations.

5. At their meeting on 17 March the President (accompanied by Gore, Christopher and Lake) had been cautious and affable. In the warm-up, the Taoiseach had mentioned the recent visit here by the New Zealand Prime Minister, and said he hoped that the problems between the US and New Zealand over nuclear issues had been sorted out (no response from Clinton). The Taoiseach had also mentioned the Danish Presidency's wish for a meeting to talk about an EC/US/Japanese strategy on unemployment. The President had said he would have to hear what Rasmussen had to say first: though he gave no definite view, he seemed sympathetic. He had remarked that what had happened to agriculture over the last hundred years was now happening to industry. There had been a brief trot round GATT, the French elections and the tax-referral issue (see above).

6. On Northern Ireland, the Taoiseach had done most of the talking. He took Clinton through the issue from first principles,

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beginning with the concept of a double minority (poor Clinton). He had emphasised his intention to bring people in Ireland together, the need for both Governments to show the lead, and (twice) his good and close relations with the Prime Minister. He had then sketched out the three-stranded process. Both Governments wanted to restart the talks, probably after the local elections. US interest was welcome but it must be used constructively, not divisively. If the President were to decide on an "exploratory mission" (which avoided both "peace envoy" and "fact-finding mission"), it should take place after the local elections (which O hUiginn interpreted as meaning June/July). But for the time being the Administration should perhaps keep their options open. The President had briefly agreed, as had Gore.

7. Over lunch, the Taoiseach and John Hume had sat next to the President and a "detailed conversation" had taken place: O hUiginn had not had a full read-out. In the car on the way to lunch, the President had stressed to the Taoiseach his wish not to let down the Irish-American community. He would be grateful for anything the Taoiseach could do to help sort out their concerns, which translated into votes. The Taoiseach's stance so far had been helpful.

8. Finally, there had been some conversation about Northern Ireland at a private dinner given by Senator Kennedy for the Taoiseach, at which Jean Kennedy had been present. The Taoiseach had warned that the proposed Senate hearings on Northern Ireland, of which news had just broken, could do damage. Kennedy had said that he would try to ensure they were kept in low key.

9. I asked O hUiginn about the Taoiseach's reported remarks about the MacBride principles. He confirmed that the Taoiseach had said he saw nothing wrong with them: this had been the consistent Irish Government line. The Irish did not believe that they discouraged real investment in Northern Ireland, and thought that to tackle the proponents of the principles head-on only drew attention to them and encouraged the zealots. I said we disagreed on all counts, as did John Hume. The principles did real damage.

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Comment

10. Apart from MacBride, the visit seems to have been helpful from our point of view. I will try to get a read-out of what went on between the President, the Taoiseach and John Hume over lunch.

(Signed)

D E S Blatherwick

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