

Peace Divided File



British Consulate-General
Boston

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CC M/Gamble

BY FAX
IMMEDIATE

Mr Jonathan Powell
British Embassy
Washington

23 September 1994

Mr J.

Mrs Cuthbert

Mr. Hughes

For file

AM 28/9

29/6
29/6
29/6

Dear Jonathan,

US ECONOMIC ASSISTANCE FOR NORTHERN IRELAND

1. Please refer to my letter of 9 September.

2. Brian O'Connor, from Congressman Joe Kennedy's office, has just telephoned me to say that the economic investment statement will be released to the press on Saturday, 24 September to catch the Sunday editions. I enclose a copy of the statement together with the covering press release, in which Joe Kennedy puts forward other initiatives of his own which include:

- (i) extending the Overseas Private Investment Corporation (OPIC) to cover Northern Ireland and the Irish Republic as developing nations;
- (ii) part US funding of the Dublin/Belfast economic corridor, and that it should be named "Presidents Highway" in recognition of the 14 Presidents of Irish stock; and
- (iii) support through the IFI for the Springvale University Campus in West Belfast.

The additional proposals made by Joe Kennedy are a result of conversations he has had with Frank Costello since his return from Belfast.

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3. Brian O'Connor said that they had planned to hold a press conference on 26 September with all the signatories present. But they had decided they wanted to avoid the Adams "circus", hence the decision to issue the press release tomorrow.

Yws and
John Owen

John Owen

- c.c. Mr Jonathan Margetts, SIL, NIO, London (By Fax)
- Mr Graham Archer, RID, FCO, London (" ")
- Mr David Watkins, Central Secretariat Belfast (" ")
- Mr David Gibson, Department of Economic Development, Belfast (" ")

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The proposal includes the following provisions:

- ✓ *Establishes new tax credits in areas of greatest disadvantage both Catholic and Protestant.
- ✓ *Urges President Clinton to appoint an economic adviser to direct a comprehensive investment strategy.
- ✓ *Urges President Clinton to lead an investment conference to underscore the high priority of increased private resources flowing to the island.
- ✓ *Supports a trade mission to the Republic of Ireland and Northern Ireland headed by the Secretary of Commerce.
- ✓ *Endorses measures to encourage increased investment, including loan guarantees, tax credits for new jobs and new appropriations for organizations like the International Fund for Ireland that support job-creation initiatives.
- ✓ *Encourages technology transfers and new educational initiatives to increase the pool of jobs in tourism, manufacturing, construction and technical trades. Encourages banking and venture capital communities to support small business development.

23-1994 17:04

BRITISH CONSULATE

617 248 9578 P.004

PAGE.002

SEP 23 '94 14:58 FROM CONG. JOE KENNEDY

CONGRESSMAN JOE KENNEDY Press Release



FOR IMMEDIATE RELEASE
SEPTEMBER 24, 1994

CONTACT: JEB KILLION (617) 242-0200
NANCY MATHIS (202) 225-5111

REP. KENNEDY, IRISH-AMERICAN LEADERS ISSUE PROPOSAL TO HELP ALL OF IRELAND REAP PEACE DIVIDEND

U.S. Rep. Joseph P. Kennedy II (D-Massachusetts) and leaders of Boston's Irish-American community released a proposal today aimed at promoting U.S. investments in all of Ireland.

The statement, signed by individuals long involved in stimulating cross-border, cross-cultural economic ties, comes three weeks after an IRA cease-fire went into effect.

"The cease-fire offers the best hope in a generation for building a lasting peace on the strength of a strong economy," says the statement. "As individuals and organizations involved in the search for peace and prosperity in all of Ireland, we pledge to redouble our efforts to bring new opportunities to the island, particularly new investments from the U.S. to create new jobs."

The proposal includes the following provisions:

- ✓ *Emphasizes new job creation in areas of greatest disadvantage, both Catholic and Protestant.
- ✓ *Urges President Clinton to appoint an economic coordinator to direct a comprehensive investment strategy.
- ✓ *Urges President Clinton to hold an investment conference to underscore the high priority of increased private resources flowing to the island.
- ✓ *Supports a trade mission to the Republic of Ireland and Northern Ireland headed by the Secretary of Commerce.
- ✓ *Endorses measures to encourage increased investment, including loan guarantees, tax credits for new jobs and new appropriations for organizations like the International Fund for Ireland that support job-creation initiatives.
- ✓ *Encourages technology transfers and new educational initiatives to increase the pool of jobs in tourism, manufacturing, construction and technical trades. Encourages banking and venture capital communities to support small-business development.

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BRITISH CONSULATE

617 248 9578 P.005

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SEP 23 '94 14:53

FROM CONG. JOE KENNEDY

Investment Proposal / Page 2
September 23, 1994

"Here in Boston, a long tradition exists of working closely with individuals and organizations in the Republic of Ireland and Northern Ireland to increase prosperity for all," says the statement.

"We pledge our collective experience and good faith to maintaining that tradition and stand ready to work with all friends of peace to bring justic and economic hope to the region at this crucial juncture in its history."

The statement is signed by: Kingsley Aikins, Executive Director, American Ireland Fund; John Cullinane, President, The Cullinane Group; Michael Donlan and Francis J. Costello, Co-Chairman, Boston Ireland Ventures; Joseph P. Kennedy II; Joseph P. Leary Jr., President, Irish American Partnership; Michael McElroy, Director, Phoenix West Belfast Development Trust; Peter O'Connell and Arthur Casey, O'Connell Development; Thomas P. O'Neill III, Partner, McDermott/O'Neill; Patrick Purcell, Publisher, The Boston Herald.

Congressman Kennedy also outlined a number of proposals designed to ensure that any further U.S. aid provided to Northern Ireland and Irish border areas will be earmarked to large-scale economic development projects. These measures include:

- *Pushing Congressional support for extending the Overseas Private Investment Corporation to cover both Northern Ireland and the Republic of Ireland as developing nations.
- *Leveraging U.S. funds through the International Fund for Ireland for construction of the "presidents Highway" connecting the 100-mile stretch between the cities of Dublin and Belfast as part of an economic corridor that links the communities. IFI funds covering one-third of the costs would be matched in equal parts by the British and Irish governments.
- *Support through the IFI for a proposed Springvale University Campus near West Belfast that would be accessible to both Protestant and Catholic youth for necessary job and education skills needed to participate in the expanded peacetime economy.
- *Creating a Free Trade Zone along border cities and towns running East from County Louth in the Republic to Derry and Donegal in the Northwest of Ireland in order to allow a region that has suffered severe economic dislocation to turn around their economic climate.

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BRITISH CONSULATE

617 248 9578 P.006

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SEP 23 '94 14:59

FROM CONG. JOE KENNEDY

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14:0

Investment Proposal / Page 3

"The United States should advance a constructive and specific economic agenda to provide hope and opportunity to all communities in Ireland," said Congressman Kennedy.

The Overseas Private Investment Corporation is a U.S. government-backed agency that provides loans, loan guarantees and risk capital insurance to U.S. companies operating overseas. Extending OPIC coverage, said Congressman Kennedy, "would be the most direct means of ensuring economic growth in Northern Ireland that is driven by the private sector."

The Presidents Highway proposal would be named for the 14 U.S. presidents who claim descent from both the Protestant and Catholic communities of the Republic of Ireland and Northern Ireland. The large-scale project "would speed the flow of commerce and tourism between both parts of Ireland," said Congressman Kennedy. "The combination of enhanced American private sector investment and the targeted use of the International Fund for Ireland would create both short and long-term job growth by making the proposed Belfast-Dublin Economic Corridor a reality. It could also facilitate the construction of a high-speed rail link between the two cities, connecting their ports at both ends to further assist the movement of U.S. products to Europe."

West Belfast, with 65 percent adult male unemployment, is one of the most economically deprived areas of Western Europe. The establishment of an institution of higher learning in a community accessible to both Protestants and Catholics "would serve as an important tool in providing the necessary job and education skills to participate in an expanded peace-time economy," said Congressman Kennedy, citing the success of Magee College in Derry as serving as an economic engine providing jobs and training to that community.

A free trade zone along the border communities of Northern Ireland and the Republic of Ireland would help address the economic dislocation caused by the closing of many small roads during the last 25 years of conflict. "Commerce has suffered, jobs have been lost and the quality of life affected," said Congressman Kennedy. "The Counties of Derry, Fermanagh, Tyrone and Armagh have been most affected in the North, with Donegal, Cavan, Monaghan and Leitrim in the South also affected. International Fund for Ireland support should be used in partnership with the British and Irish governments to improve the infrastructure along these areas and to create new roads to further improve tourism and other economic opportunities in the region's new free trade zone."

"For years, the United States has provided visas to enable immigrants from both parts of Ireland to come to the United States to escape the troubles and economic hardships on their common island," added Congressman Kennedy. "Now the United States can play a monumental role in enabling a new generation of young people to stay at home and build a new Ireland in a day of peace."

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NORTHERN IRELAND OFFICE

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BRITISH CONSULATE
FROM CONG. JOE KENNEDY

617 248 9578 P.007
PAGE 005

JOSEPH P. KENNEDY II
5TH DISTRICT, MASSACHUSETTS
COMMITTEE ON BANKING,
FINANCE AND URBAN AFFAIRS
SUBCOMMITTEE:
HOUSING AND COMMUNITY DEVELOPMENT
FINANCIAL INSTITUTIONS SUPERVISION,
REGULATION AND INSURANCE
INTERNATIONAL DEVELOPMENT
INSTITUTIONS AND FINANCE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE:
HOSPITALS AND HEALTH CARE
OVERSIGHT AND INVESTIGATIONS
SELECT COMMITTEE ON AGING
SUBCOMMITTEE ON HEALTH AND LONG-TERM CARE



Congress of the United States
House of Representatives
Washington, DC 20515-2108

Investment Statement
September 23, 1994

As we stand at the crossroads of a new era for all the communities of Ireland, we recognize that peace must be built on the foundation of economic opportunity for those who have suffered for so long from the burdens of conflict.

The cease-fire offers the best hope in a generation for building a lasting peace on the strength of a strong economy. Therefore, as individuals and organizations involved in the search for peace and prosperity in all of Ireland, we pledge to redouble our efforts to bring new opportunities to the island, particularly new investments from the U.S. to create new jobs.

Projects that emphasize cross-border, cross-community economic ties in the areas of greatest disadvantage must be given high priority. Equally important is working with grassroots organizations from all traditions to bridge the sectarian divide and build up their communities.

At this critical moment in the movement toward peace, a comprehensive and coordinated investment plan is needed to bring the public and private sectors working together in concert to direct opportunities where the peace dividend can best pay off.

We commend President Clinton's leadership on helping move the peace process along and we urge his continued involvement by the appointment of an economic coordinator to direct the comprehensive investment strategy.

We also urge the White House to hold an investment conference that would underscore the high priority of increased resources flowing to the island. A follow-up trade mission headed by the Secretary of Commerce would do much to spread the message of private-sector business opportunities in the region.

In the last 18 months alone, \$500 million in new investments have gone into Northern Ireland, \$300 million of which have come from U.S. firms that recognize the benefits of the region's well-educated workforce and pro-business climate. These new dollars are evidence of Northern Ireland's strengths as part of the European Economic Community, and we encourage the continued flow of new investments.

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BRITISH CONSULATE
FROM CONG. JOE KENNEDY

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NORTHERN IRELAND OFFICE

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14:00

Investment Statement / Page 2
September 23, 1994

With 35 percent of the workforce in Northern Ireland employed in the public sector, the infusion of private capital and job creation is essential to redress the structural imbalance that discourages entrepreneurial development. We therefore endorse measures that encourage the flow of capital, including loan guarantees, tax credits for new jobs, and increased appropriations to organizations like the International Fund for Ireland that support job-creation initiatives.

As a long-term solution to unemployment, opportunities in manufacturing, construction and technical trades must increase, but tourism can also play an immediate role in new job creation. To facilitate both objectives, educational initiatives that train workers in new technologies can stimulate economic growth in all sectors.

We also call upon the banking and venture capital communities of the United States, the United Kingdom and the Republic of Ireland to show flexibility and imagination in supporting newly emerging small businesses, where the greatest growth potential for new jobs exists.

Here in Boston, a long tradition exists of working closely with individuals and organizations in the Republic of Ireland and Northern Ireland to increase prosperity for all. We pledge our collective experience and good faith to maintaining that tradition and stand ready to work with all friends of peace to bring justice and economic hope to the region at this crucial juncture in its history.

Kingsley Aikins
Executive Director
American Ireland Fund

John Cullinane
President
The Cullinane Group

Michael Donlan
Francis J. Costello
Co-Chairman
Boston Ireland Ventures

Joseph P. Kennedy II
Member of Congress

Joseph F. Leary Jr.
President
Irish American Partnership

Michael McElroy
Director, Phoenix West
Belfast Development Trust

Peter O'Connell
Arthur Casey
O'Connell Development

Thomas P. O'Neill III
Partner, McDermott/O'Neill

Patrick Purcell
Publisher
The Boston Herald

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