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Mr. Roy Gamble
Department of Economic Development
Netherleigh House
Massey Avenue
Belfast BT4 2JP

^u
23 July, 1996

Dear Roy,

NI/BC/US FREE TRADE ZONE

1. We now look like having a Senate Bill on this topic. Please see the attached papers. I last commented on the House Bill (HR 3599) in my note to David Gibson of 17 June. I was alerted about the North-West announcement by Wallace Ewart. Bob Harrison of the Pathfinder Group of Consultants keeps Wallace informed. I surmise that Harrison is being retained by the North-West Region Cross Border group.
2. Christopher Joyner, the Embassy's Congressional Research Officer, has researched the situation. Please see his note attached together with Senator D'Amato's introduction of the Bill (which was read into the record).

3. Bob Harrison also sent Wallace Ewart some comment on IFI funding, written in his own inimitable style!

Yours sincerely
Israel

Embargoed until 4:00 pm GMT, 18/7/96

**NORTH WEST REGION
CROSS BORDER GROUP**

OFFICE OF DEVELOPMENT

For Immediate Release:
Contact Shirley McCay
at 0504-370808

July 18, 1996

Senator Alfonse D'Amato Introduces The Northern Ireland & Border Counties Free Trade Act In The United States Senate

Today, the North West Region Cross Border Group (the Group) announces from Derry that the second phase of its initiative to promote and bring to fruition a free trade area relationship between Northern Ireland, the Border Counties of the Irish Republic and the United States has begun with the introduction of free trade area legislation in the United States Senate.

Speaking for the Group, its outgoing Chairman, Councillor Pat Devine stated that... "Today, Senator Alfonse D'Amato introduced free trade area legislation for the twelve county area in the United States Senate. The import of this is that we now have our trade legislation moving through both bodies of Congress. This is a clear indication of congressional support for the creation of a free trade area in Northern Ireland and the Border Counties and a mark of the seriousness that Congress views our initiative." Mr. Devine was part of a Group delegation that lobbied members of the U.S. House of Representatives to introduce the Northern Ireland Free Trade, Development and Security Act during a trip to Washington in June. On June 6, 1996, Congressman Thomas Manton, together with Congressmen Gilman, Neal, Walsh and King introduced H.R. 3599, the Northern Ireland and Border Counties Free Trade Act of 1996.

Over the last eight (8) months, the Group has been working with senior members of the U.S. Congress to lay the groundwork for legislation that, if enacted, would create a free trade relationship between discrete areas of Northern Ireland, the Border Counties and the United States. Currently, only Canada, Mexico and Israel enjoy this preferred trade status with the U.S. Enactment of this legislation - subject to U.K., EU and Republic of Ireland approval - will result in Northern Ireland/Border County goods and crops entering the United States market duty free. Current estimates by the Group's economic team - Professor Michael Smyth of the University of Ulster and Professor Van Wood of Virginia Commonwealth University - predict the creation of between 3,000 and 10,000 new jobs in the twelve (12) county area with passage of the legislation.

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"Senate introduction of our initiative is a powerful message of hope for the people of Northern Ireland, particularly given the events of past days" said Sam Martin, incoming Chairman of the Group. "While we have a ways to go in Washington, London, Dublin and Brussels, interest in establishing this unique and preferred trade relationship with the United States is strong, deep and growing," said Mr. Martin.

Contacted in Washington, following introduction of the legislation, Senator D'Amato stated that a growing and vibrant exporting economy was the single most important tool for bringing Northern Ireland's communities together. "Currently, both communities in Northern Ireland are divided - among other reasons - by a lack of meaningful job opportunities evenly distributed geographically. This bill will dramatically increase the economic pie in Northern Ireland and the Border Counties and do so in on the wholesale level." Senator D'Amato stated that while business conferences and trade missions were valuable, they achieved positive results in an episodic fashion. He went on to say that a free trade relationship with the United States on the other hand, would have an immediate, systemic and stimulative affect on the area's exports as well as plant siting decisions made by off-shore manufacturers.

The Group is currently contacting District Councils throughout Northern Ireland and the Border Counties to expand and supplement their efforts. The Group is contemplating hosting a conference late in 1996 or early 1997 that would include Members of Congress, Members of the European Parliament, U.K. Parliament and Irish Dail and Senate. If a decision is taken regarding the conference, further details will be forthcoming from the Group.

Ms. Shirley McCay, Development Officer for the Group and the Group's spokesperson stated that the steady progress their trade initiative has made is a testament to the Group's resolve and imagination. "From the beginning, we knew that we would be dogged by naysayers," she said. "However, the Group has never deviated from its determination to do all that it can, to explore new and uncharted paths to assist its constituents. We have never taken our eyes from the prize," said Ms. McCay.

From: Christopher Joyner

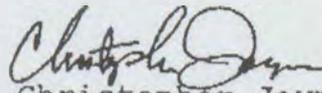
Date: 23 July 1996

cc: Mr Westmacott
Mr McDonald

Mr Alexander

NORTHERN IRELAND FREE TRADE AREA

1. I have not been able to find the language of S 1976, as introduced by Sen D'Amato on 18 July. I am waiting to hear back from D'Amato's legislative assistant for trade, Kraig Siracuse. The legislation is probably the mirror image of HR 3599, introduced by Rep Manton on 6 June.
2. Although it is likely Congress will be more receptive to HR 3599/S 1976, there is little chance the legislation will move beyond the committee stage in this Congress (Finance in the Senate, Ways & Means in the House). There is simply not enough time left in this session.
3. Having said that, it should be followed closely. It will probably be more popular than HR 3621, Rep Engel's attempt to tie IFI money disbursement to the MacBride Principles. The fact that the Manton bill already has a Senate sponsor is evidence enough of that. I may know more after I speak with Siracuse.
4. I have attached the text of D'Amato's floor statement on the bill.


Christopher Joyner

Memorandum

To: Wallace Ewart
From: Bob Harrison
Re: IFI language
Date: July 22, 1996

Wallace: Following up on our conversation, find attached our free trade area announcement as well as the Senate Foreign Ops Appropriations Subcommittee language regarding the IFI.

Regarding the IFI, you can see that once again, the Senate zeroed them out. Same as last year. The House has given the IFI \$19.6 million so this difference will be sorted out in House/Senate conference. Note the IPIRL language, which constitutes the majority of the Senate Report. Our read is that the Senate conferees will expect something firm for IPIRL if they are to recede to the House earmark of \$19.6 million. We don't believe that some sort of vague IFI assertion of support for IPIRL will cut it this cycle. Last year, the conferees recommended IPIRL funding. This year, they used the word "urge." Not very subtle, but the State Department and AID will certainly understand congressional intent.

I'll continue to fill you in details for the free trade area conference in Northern Ireland this Fall as they develop. We're continuing to add cosponsors in both House and Senate to the bill. More later,

Bob

TUNA TREATY

The Treaty on Fisheries between the United States and the governments of certain Pacific Island States, popularly known as the South Pacific Regional Fisheries Treaty, requires that \$14,000,000 in economic assistance be provided annually to the South Pacific Island States. Therefore, the Committee recommends that the treaty obligations be met through the payment of the full \$14,000,000 in fiscal year 1997.

INTERNATIONAL FUND FOR IRELAND

Appropriations, 1996	\$19,600,000
Budget estimate, 1997	
House allowance	19,600,000
Committee recommendation	

The Committee supports continued efforts to bring peace and stability to Northern Ireland. However, given budget considerations and Ireland's unique access to European Community resources, the Committee believes the United States can play a more effective role in encouraging investment and trade. The Committee notes the successful work of a six university consortium which includes Montana State University/Bozeman, Virginia Commonwealth, and Portland State. This consortium has worked to establish long distance learning as a viable method for cross-cultural understanding with Ireland. Its work includes sharing resources, particularly in business and entrepreneurship. The Committee urges the International Fund for Ireland to support this activity.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTO STATES

Appropriations, 1996	\$523,000,000
Budget estimate, 1997	475,000,000
House allowance	475,000,000
Committee recommendation	475,000,000

The Committee recommends \$475,000,000 for the Eastern Europe special assistance initiative.

The Committee continues to believe that completing the transition to free market democracies in the region is vital to U.S. interests. Last year, the Committee included the NATO Participation Act Amendments as a part of the fiscal year 1996 appropriations. To further the objectives included in that legislation, the Committee reiterates its strong commitment to provide adequate resources to expand military training and files which, in turn, will expedite the expansion of NATO's membership. To meet these needs, the Committee has once again provided up to \$20,000,000 in transfer authority from this account and the "New Independent States" account to support extending the stabilizing influence of NATO into central and Eastern Europe.

LEGAL INITIATIVES

The Committee encourages and expects AID to continue to support the central and Eastern European law initiative (CEELI), a project of the American Bar Association. CEELI is providing critical legal expertise to nations that are restructuring their entire law enforcement and judicial systems. CEELI has emphasized key

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SPRINGVALE PROJECT OFFICE

FACSIMILE COVER SHEET
Internal Fax Number 6093

OUR FAX. NUMBER:	(01232) 366093
OUR TELEPHONE NUMBER:	(01232) 368995/368993
DATE:	23 July 1996
E-MAIL ADDRESS	L.McAree@ulst.ac.uk
FROM:	Prof. Wallace Ewart
FOR THE ATTENTION OF:	Mr David Gibson
DESTINATION FAX NO.	529556
<p>David</p> <p>Thought you might be interested in this latest development.</p> <p>I'm told that the Irish Government are now expressing some interest.</p> <p>Best regards</p> <p>Wallace Ewart</p> <p><i>W Gamble</i> <i>Clearly this topic has not died and we can expect some serious lobbying on it. You might advise DTI (and FCO?) colleagues of this - and ensure that DTI advice is still good.</i></p> <p><i>W 29/7</i></p>	
pages including this one):	3

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By Mr. D'AMATO:

S. 1976. A bill to authorize the President to enter into a trade agreement concerning Northern Ireland and certain border counties of the Republic of Ireland, and for other purposes; to the Committee on Finance.

The Northern Ireland Free Trade, Development and Security Act

<bullet> Mr. D'AMATO. Mr. President, I introduce the Northern Ireland Free Trade, Development and Security Act.

The resurgence of sectarian unrest that we have witnessed in the last weeks in Northern Ireland has seriously jeopardized the chances of a

lasting peace in that province. The current uncertainty brought about by the recent confrontation between the Catholic and Protestant communities does not augur well for the prospect of a prosperous and progressive Northern Ireland adhering to the principles of democracy, restraint and mutual respect.

Throughout the six counties the ancient drums of a harsh and unbending history have been once again been replaced by the fierce and acrimonious sounds of cross community hatred. Shattering glass and car bombs have once more become part and parcel of daily life in parts of Northern Ireland.

Mr. President, voices throughout Ireland continually echo the need for restraint and reconciliation. These are the voices of Northern Ireland's future. Voices which for so long have fallen on deaf ears. These voices Mr. President must be heard. It is in everyones self-interest to go forward. It is in no ones self-interest to slow down the peace process. Sadly this process may have come to a grinding halt, sadly too, the good and honest people of Northern Ireland will once again be the victims of a tyranny of violence and intransigence. The legislation that I introduce today is a marker that says that the men and women of Ulster are not alone in this period of instability and hour of need. We must verify hope, not concede to despair.

Mr. President, the Northern Ireland and Border Counties Free Trade, Development and Security Act, that I introduce today, is modeled on the Gaza/ West Bank Free Trade Act pending in this body. Both bills are based on the premise that a country or region that has a vibrant, growing and exporting economy requires underlying economic and social cohesion and cooperation. The legislation that I am introducing promises an open, liberalizing trade arrangement between Northern Ireland, the border counties of the Irish Republic and the United States. It will act as a primary inducement and incentive for indigenous Irish business to trade and flourish. This program will mean real jobs for the people of Northern Ireland, jobs that will prove to be crucial if the improvement of social and economic life in the North of Ireland is to be realized. In doing so, it will not only assist in revitalizing Northern Ireland's economy but it will help to rid Ulster of the religious and racial hatred which has plagued its people for more than 300 years.

Mr. President, the paradox of Northern Ireland is that she has given so much to other cultures and lands but has been incapable of fully reaping the rewards of her own peoples skills and strengths at home. The unfortunate reality is that as in the Republic of Ireland, a large majority of the North's highly educated and skilled younger generation has been forced to emigrate due to high unemployment levels which are as high as 70 percent in some areas. These disadvantaged areas are the ones which this legislation has been especially designed to target. Joint cooperation and joint economic development between the United States, Northern Ireland, and the European Union will integrate the most distressed parts of Northern Ireland and the border counties into a dynamic economy that--while firmly rooted in the European Union--continues to expand and cement new trading relationships beneficial to all trading partners.

Mr. President the coming days in Northern Ireland will mean that serious risks will have to be taken. The way forward is not entirely clear. Great strains have been placed between our good friends Great

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Mr. President the coming days in Northern Ireland will mean that serious risks will have to be taken. The way forward is not entirely clear. Great strains have been placed between our good friends Great Britain and the Republic of Ireland. A close and harmonious relationship between these two nations is a necessary prerequisite to future progress in Northern Ireland. I would ask both of these close friends to join this effort to help forge a new and innovative way

forward for their own citizens. Indeed current events call for new approaches, new modalities, and reinvigorated efforts.

To the men and women of **Northern Ireland** and the border counties, I say that your best days are in front of you. Stand steadfastly. Both communities can work together to create a future that will outshine **Northern Ireland's** dark but proud past and will significantly increase the prospects for the youth of **Northern Ireland** who hold the key to the success of this project. Take from your past the virtues of your forefathers--industry, faith, and imagination but leave behind the quarrels of other centuries. Just like the unity of Catholic and Protestant at the Somme, I ask that those heroic deeds be emanated. This time ahead will take courage, strength, and determination on all sides. I remind you once more you are not alone. As this country stood by you at the Somme this country stands by you now.

Northern Ireland's peace process must move forward and the aspirations and goodwill of the vast majority of its citizens must be accompanied by hard work and endeavour. The proposed establishment of a free trade area in these designated areas must be passed into legislation if the predicted 3,000 to 10,000 jobs are to be created. A more prosperous economy with more evenly spread and meaningful job opportunities can only serve to bridge the social and economic disparities that exist in this region. In conclusion this opportunity cannot be overlooked, after 25 years since the outbreak of the ``troubles,`` the people of **Northern Ireland** have suffered enough violence and depravity. Now it is time to embark on a rebuilding process that will give no chance to the terrorist but every chance to peace and reconciliation.<bullet>
