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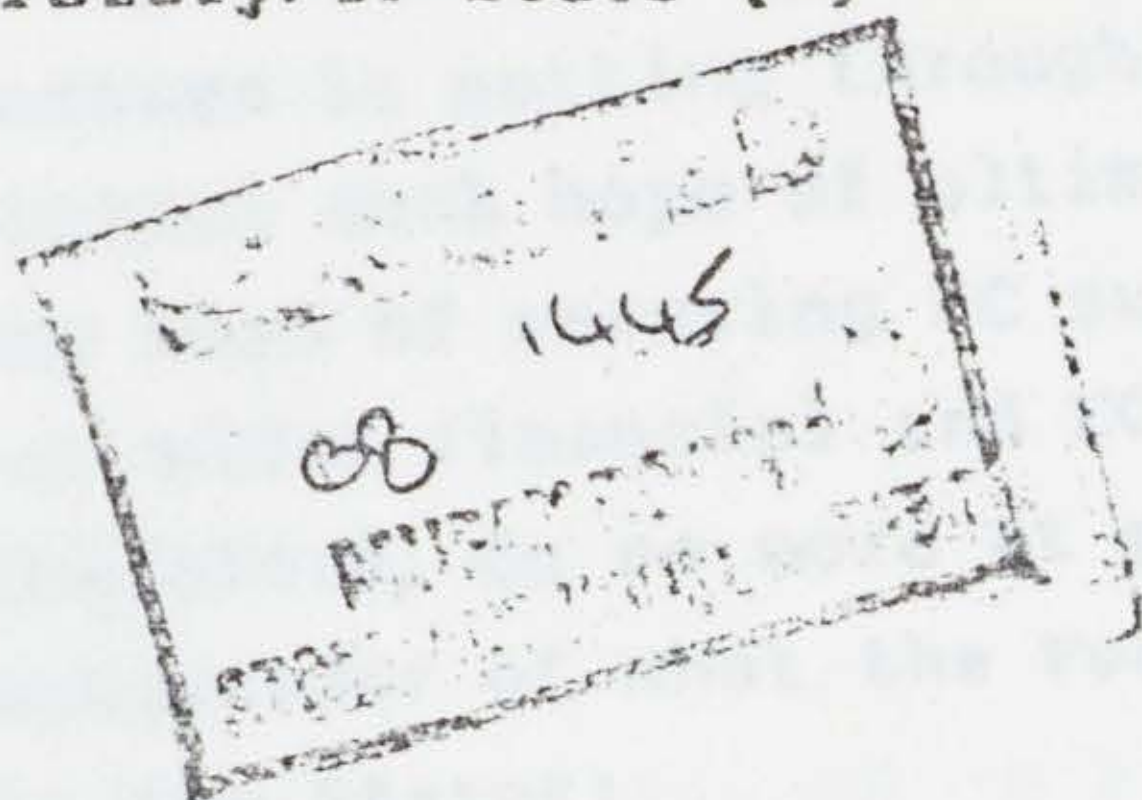
MIND FILE

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All copies by BL/S except where marked

1. Mr Chesterton *OK 7/12*
2. PS/Secretary of State (L)



cc: PS/SOIS(B)
 PS/Mr Stanley (L&B)
 PS/PUS (L&B)
 PS/Sir K Bloomfield
 Mr Burns
 Mr Fell - M
 Dr Quigley - M
 Mr Stephens
 Mr Elliott
 Mr Kirk
 Mr George, RIL, FCO - FAX

NORTHERN IRELAND: THE NEXT STEPS IN THE UNITED STATES

Following the Secretary of State's return from North America, our Ambassador wrote setting out his own personal views on the best way to take Northern Ireland issues further in the USA. Sir Antony's main concern was with countering the MacBride campaign, and the Secretary of State has now replied on this question. But he also raised other issues, (on which the Secretary of State promised to write separately), with which this submission is concerned.

2. These issues were:

- (a) 'Talks about talks'. Rather surprisingly, Sir Antony appeared to think that intelligent American opinion would be surprised if they petered out. Clearly we cannot tell him that his worries are groundless, although we can reassure him that the talks are still going on and, more important in this context that the fundamental principles on which our policies are based remain unchanged;
- (b) The International Fund, where the problem is, and remains, convincing those on the Hill that the International Fund remains politically 'sexy' enough to vote additional resources, in the light not only now of

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whopping US budget cuts but the unlikelihood of any EC subvention. Both DFP and RIO are doing what we can to ensure the, independent, Chairman of the Fund, Mr Bret fully understands the situation (there is evidence our message is getting through). We are also examining, without much hope of ultimate success, whether there are any ways of securing EC support that would not undercut our wider financial and EC interests. We can, therefore, do no more at present than remind the Ambassador of what the Fund is doing to project itself in the States;

- (c) Various administration of justice issues. We have a good case, at least to those in the US susceptible of rational argument, on all of these, and our posts in the US have received additional briefing since the Ambassador wrote. The Secretary of State has also now written personally, and in detail, to Messrs Donahue & Kennedy. But we can offer whatever additional help we can, and the Secretary of State should know that the UK is now discussing with the FCO ways of, more generally ensuring that our information effort in the US is better targetted and as efficient and effective as possible;
- (d) The Anglo-Irish Agreement. The Ambassador continues to believe that it is thanks to the Agreement that our Northern Irish policies are not getting a rough ride in the States (even though MacBride campaigners can rush in to fill the vacuum). We can reassure him that our commitment to the Agreement is unswerving. But we would be doing him no service in defending our interests in the States if we concealed our disappointment that the Irish have seen fit to insert the new statutory 'safeguards' into the backing of warrants process. But we should also steer him firmly in the direction of damage limitation.

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4. I attach a self-explanatory draft letter which makes the above points. (The draft was held up to take account of the latest talks and the extradition issue.)

(Signed by E Magee)

P M BELL

7 December 1987

(Approved by Mr Bell and signed in his absence)

You wrote to me on 4 October, following a visit to the United States, setting out your own view on the best way of taking forward Northern Ireland matters in the United States. I have replied separately about the main subject of your letter, but you also touched on a number of other matters with which my present letter is concerned.

I was interested in your comment that informed Americans have been paying particular attention to the 'talks about talks' which we have had with the two Unionist leaders, and that 'if [these talks] fail, the sense of pessimism will be great...'. I have of course always made clear that these talks were purely exploratory and that development from them into more substantive discussions was never guaranteed. Now, of course the Xmasville atrocity has made the climate for constructive dialogue even more difficult: although the 'talks about talks' still continue - there was a meeting in early December and there will in theory be another before the end of the year - it would be naive to expect them to lead to any dramatic initiative. I hope, however, that the firm action which we will continue to take on the security front will in due course reassure the majority community and instil sufficient confidence in their representatives to talk eventually about matters of substance. But it is clear that, at least in the short term, there is unlikely to be progress on the political development front.

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Draft letter for Signature by the Secretary of State, to:

Sir A. Acland KCMG KCVO
HM Ambassador
WASHINGTON

NORTHERN IRELAND: THE NEXT STEPS IN THE UNITED STATES

You wrote to me on 6 October following my visit to the United States, setting out your own views on the best way of taking forward Northern Ireland matters in the United States. I have replied separately about the main subject of your letter, MacBride, but you also touched on a number of other matters with which my present letter is concerned.

1. I was interested in your comment that informed Americans have been paying particular attention to the "talks about talks" which we have had with the two Unionist leaders, and that "if [these talks] fail, the sense of puzzlement will be great..." I have of course always made clear that these talks were purely exploratory and that development from them into more substantive discussions was never guaranteed. Now, of course the Enniskillen atrocity has made the climate for constructive dialogue even more difficult: although the 'talks about talks' still continue - there was a meeting in early December and there could in theory be another before the end of the year - it would be unwise to expect them to lead to any dramatic initiative. I hope, however, that the firm action which we will continue to take on the security front will in due course reassure the majority community and instil sufficient confidence in their representatives to talk eventually about matters of substance. But it is clear that, at least in the short term, there is unlikely to be progress on the political development front.

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2. But that of course does not mean that we shall swerve from our goal of seeking widely-acceptable devolved government coupled with continuing close and productive relations with the Irish Government through the mechanisms of the Anglo-Irish Agreement. The search for a broadly based devolved system is inevitably a slow and complex process during which many false dawns have come and gone. Given the intractability of the political equation in the Province, informed Americans should really not be too puzzled if progress appears to be halting. They would have genuine cause for surprise, I think, if the Government appeared to be compromising on the basic principles which underlie our policy - particularly the principle that any devolved system must have widespread support from both communities and that the Irish Government has a legitimate voice in Northern Ireland affairs which should be heard. You may assure your interlocutors that the Government stands firm on both those points.

3. I am glad of your confirmation that the Anglo-Irish Agreement continues to be regarded in the US as a constructive and positive development. We and the Irish certainly believe that it is and remain committed to developing our mutual understanding and co-operation, particularly in the field of security. In this respect, their recent massive search operation, which our own security forces of course supported, has provided a welcome public demonstration of their commitment to fight terrorism. We also welcome their decision to ratify the ECST, which is an important step in our security cooperation. On the other hand, there is no denying that we would greatly have preferred this not to have been accompanied by the unilateral legislative changes to the extradition process which they have now made. We have, as you know, made our concerns very plain to the Irish: their Bill does, in our view, put at risk the efficient working of extradition between our countries, and sends most unhelpful political messages. It is only a partial consolation that they have accepted the principle that the new arrangements should be reviewed. Faced with this example of Irish perversity, we must both, I fear, concentrate in the short term on damage limitation and in ensuring that the achievements of the Anglo-Irish Agreement will not be compromised.

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4. You also refer to the International Fund. I fully take your point that if we are to be in with a chance of securing a fourth year of funding from the US in FY 89 then we must offer impressive evidence of concrete results on the ground which have flowed from the first two tranches. I know that this consideration is very much in the mind of the Board Chairman and his colleagues; among other things Charles Brett intends to visit the US again early next year to explain what has been achieved. (In that context the Board of the Fund will be preparing promotional literature highlighting a selection of projects supported by the Fund.) Since you wrote, we have of course learnt of the possibility that the grant in FY 88 might be reduced from \$35 million to \$20 million, though it now seems likely that the \$35M will after all be preserved (as reported in your telno 2651). We are most grateful for this outcome which I am sure owes a great deal to your efforts.

5. You also refer to the administration of justice in the Province. I have now written to Tom Donahue and Joe Kennedy covering this point, among others, in some detail. You also have F. Telno 1798. Please let me know if you feel that this material still leaves any questions unanswered. My own view is that the campaign for three-judge courts never had much objective merit and was never pursued with much enthusiasm by responsible nationalist opinion. It is for the moment on the wane - although we may not have heard the last either of it, or more important in the long run lack of nationalist confidence in the administration of justice generally. I should naturally be glad to hear if there was new evidence of any other questions attracting more widespread interest in the US.

6. I am sending a copy of this letter to Geoffrey Howe.

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