



Foreign and Commonwealth Office

London SW1A 2AH

2 July 1985

Prime Minister  
Signs of US readiness  
no be generous 2  
to Northern Ireland  
after an agreement.  
CDP 2/7

Dear Charles,

Anglo-Irish Relations: Briefing the US Administration

The Prime Minister may like to know that the briefing of the US Administration foreshadowed in my letter of 20 June was carried out by David Goodall during his visit to Washington last week. Goodall spoke first to Admiral Poindexter at the National Security Council, and subsequently, with Poindexter's agreement, to Wenick (Director, Office of Northern European Affairs) at the State Department. Both conversations were tête-à-tête.

With both interlocutors, Goodall stuck closely to the language of the third and fourth paragraphs of my letter of 20 June. He emphasised the confidential nature of the information and the fact that he was acting in accordance with the Prime Minister's wish that the President should be made aware of the position reached in the Anglo-Irish talks. In both cases he was careful to stress that an Anglo-Irish agreement was by no means a foregone conclusion, but that, if an agreement was not achieved, it would not be because of any lack of seriousness on the British Government's part.

Admiral Poindexter listened carefully to Goodall's account, which he said he would convey to the President personally. His only comments were that he thought the President would be much reassured by it; and that the US Administration should have no difficulty in giving strong public support to an agreement on the lines described. Wenick was equally appreciative. He said that it would be useful if, in due course, Sir Oliver Wright could be instructed to follow the matter up with Secretary Shultz and discuss the US Administration's reaction to an Anglo-Irish agreement in greater detail.

Wenick said that he would like to ask three questions: did we expect a hostile reaction from unionist opinion; did we envisage an Irish Government representative residing in Belfast; and had Sinn Fein's success in the local elections changed the political climate in Northern Ireland and closed the window of opportunity which had existed earlier in the year? On the first question, David Goodall said that unionist opposition to the proposed agreement was inevitable, but we hoped and believed that it would be containable. The difficulties of presenting the agreement in acceptable terms to both the unionist and nationalist traditions in Ireland were self-evident; and the support of the

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United States Government would be very important in this connection. It was not envisaged that there would be an Irish Government representative in Belfast as such, but there would almost certainly need to be a Secretariat provided by both Governments jointly and it looked as if this would probably come to be located in Belfast. The main objection was the target it would present for terrorist attack. As to Sinn Fein's gains in the local elections, Goodall said he thought that these had been somewhat exaggerated: but the fact that they were causing the unionists concern was not necessarily unhelpful.

Wenick then went on, unprompted, to say that the US Government would now want to consider what they could offer by way of economic assistance in support of an Anglo-Irish agreement. This issue had already been raised informally by the Irish Government, but the State Department had not wanted to address it seriously until they had received some indication from the British Government of what was in prospect. Despite current US budgetary difficulties, he believed that the US Government would want to make a substantial financial contribution to economic reconstruction in both parts of Ireland following an Anglo-Irish agreement on the lines described. The figure of \$0.25 billion had been canvassed by Senator Kennedy among others and Speaker O'Neill (whose views on this topic were likely to be very influential) had spoken of \$0.5 billion. Wenick said that it was too early to say where the Administration would come down; but he gave the impression that the larger figure was more likely.

Goodall said that British Ministers were of course very appreciative of US willingness to consider demonstrating support for the agreement by means of financial assistance for economic development. But there were evident political sensitivities, and the matter would need careful handling. It would be both damaging and untrue if any impression were created that the prospect of American money had influenced either the British or the Irish Governments in their search for agreement. There was also the question of encouraging US investment in Northern Ireland: anything the Administration could do to this end would be at least as valuable as direct financial support. Wenick agreed that this possibility would be worth looking at. It would also be essential to demonstrate that the US financial contribution would produce a corresponding net increase in overall finance for development in Northern Ireland: any suggestion that it would result in lower UK funding would kill the idea before it got off the ground. Goodall agreed.

In conclusion, Wenick said that the US Government would now give serious thought to the idea of a Fund and the arrangements involved, including the possibility of an independent board of trustees to administer it on which all three Governments might need to be represented. He thought that it would be helpful if,

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before too long, the British and Irish Governments were to make a joint approach to the US Government on the subject. Some tripartite discussion of the terms in which the United States Government might welcome an Anglo-Irish agreement and commend it to the Irish-American community would also be helpful.

I am sending copies of this letter to Jim Daniel in the Northern Ireland Office and to Richard Hatfield in Sir Robert Armonstrong's office.

Yours ever,

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