

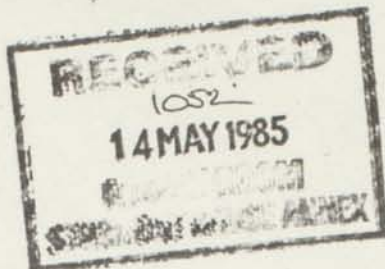
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Secretary of State (L&B)-M



PS/Mr Scott (L&B)-M
 PS/Mr Patten (L&B)-M
 PS/PUS (L&B)-M
 PS/Mr Bloomfield -M
 Mr Brennan
 Mr Merifield -M
 Mr Gilliland -M
 Mr Chesterton
 Mr Reeve -M
 Mr Lyon
 Miss Elliott
 Mr D A Hill
 Mr Hewitt -M
 Mr K Carlisle MP

2 Mr Carlisle

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

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1. As you agreed last week, I met today Mr Brian Atwood, the Director of the National Democratic Institute for International Affairs. Mr Atwood was a member of the Carter Administration as Assistant Secretary of State for Congressional Relations under Cyrus Vance. Before that he had been a career diplomat and since then has worked for the ill-fated IRIS organisation and as Director of the Democratic Senate Campaign Committee. He took up his present post in February. He is an impressive man although with only a limited knowledge about Northern Ireland.
2. First, with regard to the operation of the NDIIA he confirmed that it had been set up as one of the four complementary parts of the National Endowment for Democracy (NED) and had received initial funding of \$1.5 million. Last year Congress declined to vote any further money to the NDIIA or their Republican counterpart amid allegations that the funds were being used for junketting. This year the House of Representatives have passed the National Endowment's Budget including provision for the Party Foundations and it now goes to the Senate for consideration. Whatever the outcome the NDIIA are trying to augment public funds with private donations and they still have \$800,000 of the original grant remaining. It is from this residue that they would intend to fund their Northern Ireland programme. The great majority of their funds have so far been committed to Conferences on 'democratic themes' for parties in South America and they are planning a major event in Dakar for African leaders. Their brochure describes their central purpose as being: "to help individuals and

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institutions outside the United States to become effective participants in democratic systems'.

3. We had a brief discussion about the Government's objectives in Northern Ireland in Anglo-Irish relations, internal political developments, security and human rights. After this Mr Atwood explained that some 4-5 months ago the NDIIA had been approached for support by John Hume who had powerful sponsors in the Democratic Party. The Institute had initially been a little wary of involvement in Northern Ireland but they had found Hume impressive and wished to help him in his campaign against Sinn Fein. Later when a project had begun to take shape the Irish Government had been encouraging as, unofficially, had contacts in the State Department. The scheme as he envisaged it would be for the SDLP to set up its own foundation to carry out longer term research, training and political education (separate from electioneering) and into which the NDIIA would channel funds as, he thought, might American individuals and the Friedrich-Ebert-Stiftung (the SPD Foundation). He wanted to keep the project under wraps for the next 3 weeks but would then send two assessors from the NDIIA to undertake a feasibility study. If successful this would lead to funds being committed for training SDLP workers - particularly with a view to helping them counter Sinn Fein advice centres. The amount involved in these first two phases would be less than \$50,000. He said that he appreciated that the matter was very sensitive and the project would be structured in such a way as to enable them to disengage were matters to get 'too hot'. He said that the Unionists would react badly, and that there could be some implications for Anglo-American relations, equally there would be some flak from militant Irish Americans against the Democratic Party. He was anxious to keep any involvement with the British Government on the matter at arms length (we agreed that this was preferable from both our perspectives) but he would willingly respond to steers on how any potential difficulties could be minimised and was open to suggestion on matters of timing.

4. I thanked him for his candour. If asked the United Kingdom Government could hardly do other than discourage the making of a substantial grant from an overseas source to one particular political

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Party, from only one tradition in Northern Ireland. The problem was compounded when the funds concerned were public money, albeit at one remove. I explained the various Unionist theories concerning American involvement in Irish affairs and said that the present initiative could be characterised as 'US funds to finance the cause of Irish unity'. I appreciated the motives for making the grant were thoroughly constructive and it was not the place of the UK Government to seek to tell an independent American Institute how it should allocate its resources, nevertheless I thought they should consider balancing their funding if they were to become involved. Mr Atwood said that he had suggested helping the Alliance Party but this had been vehemently rejected by John Hume who had described them as a threat to the SDLP's effectiveness in combatting Sinn Fein. He would, however, once the assessing team had been sent to Northern Ireland be happy to open contacts with Alliance, the Unionists and the Workers' Party. We talked a little about how the Unionists might be constructively helped, and I made two suggestions: helping them to put their case in America and helping to train and bring on younger politicians who would benefit from exposure to a slightly wider view of the world. He agreed that in announcing the launch of the SDLP project considerable weight should be given to the fact that it was a Party to Party affair and not one involving Governments.

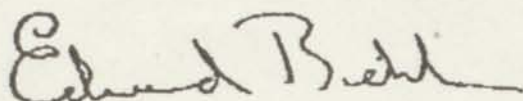
5. Mr Atwood travels to Northern Ireland today as a guest of John Hume. He thought that at this stage he could not meet with politicians from other Parties not least because they might surmise something about the planned project and make it an issue in the local elections. On Thursday he is travelling to Dublin where he is having lunch with Sean Donlan. He has undertaken to contact me on Friday before returning to the States to tell me of his impressions and his views on how the NDIIA feels inclined to proceed.

6. My assessment is that the NDIIA are determined to proceed with the project, partly out of respect for John Hume and for his Party's stand against terrorism but also there are, no doubt, powerful sponsors for the project in the Democratic Party. Under pressure

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there is a chance that they may offer some funding to Alliance or to moderate Unionists. I would not however rate this as very likely not least because the Unionists may well refuse to have anything to do with NDIA after it has started its Northern Ireland involvement by coming down so clearly on one side. I am sure that Mr Atwood is a responsible person who may be open to a steer on timing and presentation. He does not want to be seen to have consulted us about the project (indeed he has 'informed' rather than 'consulted') any more than we would want to be implicated in it, but I think it may be useful to keep channels of communication open.



EDWARD BICKHAM

13 May 1985

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