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BRITISH EMBASSY, WASHINGTON, D.C. TELEPHONE: (202) 462-1340

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/on

FROM THE AMBASSADOR

12 November 1986

J Mellon Esq CMG HMCG NEW YORK

Dear Jummy,

NORTHERN IRELAND/SOUTH AFRICA

1. Thank you for your letter of 29 October.

2. The attempt by the Irish lobby here to link Northern Ireland and South Africa has of course been present from the start in their MacBride initiative. I agree with you that indirectly - the latest withdrawals from South Africa do not help our position in countering MacBride. But, like you, we do not detect any inclination on the part of companies to start thinking that the battle is lost and that the slippery slope to divestment cannot be avoided.

3. At the same time there does seem to be a growing recognition that MacBride is going to be around for a while. We can expect more shareholder resolutions next year, and renewed efforts in state legislatures and probably in the US Congress. We must try to find a way, if possible, of getting onto the offensive. Nigel Sheinwald recently gave a talk on MacBride to a group of multinationals' representatives in Washington at a National Association of Manufacturers conference. He found several of them eager to co-ordinate tactics both in the fight against outstanding legislation and in response to already enacted bills (eg New York). Embassy staff here are in touch with yours with the aim of setting up a meeting in New York to consider our strategy.

4. You referred to Administration attitudes. They have of course been helpful over MacBride. You will have seen Ambassador Price's remarks and Ambassador Ridgway's testimony to the Senate Foreign Relations Committee in April of this year; and the State Department made their views known at a senior level to Governor Cuomo on the New York MacBride bill. As far as South Africa is concerned, the President's veto of the sanctions legislation, which included a ban on new investment and mandatory application of the Sullivan Principles, was of course overriden by the Congress. But it is fairly clear that the Administration does not support political pressure

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on US companies to withdraw from South Africa; and would not be disposed to make a link between the recent actions of US companies in South Africa and the scene in Northern Ireland.

Zoms aver Anting

Antony Acland

cc: Sir Robert Andrew KCB NIO, London

> K P Bloomfield Esq CB Head of Northern Ireland Civil Service, Stormont

John MacAllister Esq Chief Executive IDB Belfast

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