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Secretary of State (L&B) - B	cc Minister of State (L&B) B Dr Mawhinney (L&E) 113 B Sir K Bloomfield B Mr Burns B
Depart of Fi	nance Mr Fell
-6 MAR 19 PRIVATE OF	D Mr Wood B PS/PUS (B)

My wife and I had dinner yesterday evening at the residence of the Minister at the US Embassy and after dinner Mr Seitz drew me on one side and we had a chat for about a quarter of an hour. The following points arose in the course of that which I think it is worth recording.

2. Seitz asked me for my views about any messages about Northern Ireland to be transmitted to the new administration. I said that I thought there were two:

a. Help us to deal with MacBride, and in the process give due credit for our Fair Employment Legislation. This was important because inward investment was a key to dealing with unemployment which was in turn a key to undermining the terrorist position. Seitz asked me in that context what importance I attached to further tranches of US Dollars into the International Fund. I thought such tranches were important, mainly symbolically, to the Irish Government as to HMG, but for different reasons. The Irish saw US support for the Fund as evidence of their support for the Anglo-Irish Agreement. We saw such support as a demonstration of very practical American assistance to Northern Ireland, in the form of inward investment.

b. Help us to persuade the Irish that however legitimate their aspiration to a united Ireland, it was an aspiration that was not going to be achieved for the foreseeable future. Failure to come to terms with this risked two things:

First, giving encouragement to terrorists who needed to believe that the aim was achievable and who would draw encouragement if the ROI seemed to agree with that.

Second, by diverting attention from the immediate problems of introducing better, because more participative, forms of government in the North.

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- 3. Seitz noted this and then offered two points of his own:
 - a. We should not underestimate the impact in the US of the restrictions placed upon the media, given the importance in American life of unfettered media. American papers and commentators would be bound to make even more of these restrictions than would our own. That being so, we would do well to pay quite a lot of attention to the US press corps in London which was by and large of high quality and who could be expected to respond well to contacts with and briefings from British Ministers.
 - b. If the new administration was going to get anything done, it would be by striking deals with a Congress dominated by Democrats. Faced with the choice between being helpful to HMG over Northern Ireland and a quiet congressional life, we must not be surprised if from time to time the administration gives priority to the latter.

4. Neither point is new and both are well taken. 3(a) above suggests that a suitable opportunity might be taken for you to have one of your lunches with the press corps. 3(b) suggests that contacts with Democrat Congressmen will remain as important as ever they were and should be fully reflected in Ministerial and other visits to the US, respecting, of course, any sensitivities that the administration may have about these.

L. v. A

JOHN BLELLOCH

2 March 1989