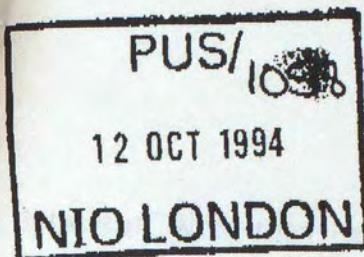


SECRET PERSONAL



S149/94

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

1. PUS to see

11 October 1994

2. cc PS/sofs(L+S) by Mufax.
PS/Mr Fell - by Mufax
Mr Thomas
Mr Watkins - by Mufax
Mr Bell

Dear Jeremy,

13.10

NORTHERN IRELAND: US ECONOMIC ASSISTANCE

I am very grateful to Peter Westmacott for calling this afternoon to check that we were aware of American plans to announce an economic package for Northern Ireland in the near future.

May I say in less guarded terms what I partially conveyed to Peter over the telephone? We are hoping to make a similar announcement ourselves, in much the same time frame. We shall probably be announcing that an investment conference is to be held in Belfast, with the Americans and the EU invited. It is very likely (but a particularly sensitive point) that our announcement will be part of a package with some very significant political elements in it. It is also very likely (even more sensitive though there has of course been some speculation in the press) that we shall make our move before about 26 October. Final decisions have not yet been taken, partly because the situation in Northern Ireland is not yet quite ripe; and partly because we are still assembling elements of our package.

Whatever speculation there may be, the Prime Minister is extremely keen to retain as much of an element of surprise as he can. The details of what he has in mind have so far been discussed at ministerial level only with the Northern Ireland Secretary and the Foreign Secretary, and are being held very close within the NIO. I would therefore be grateful if this letter does not go beyond you, Peter Westmacott and Robin Renwick.

For these reasons, we must find a way of driving the Americans off a premature announcement, but without telling them of our own plans. I have discussed the problem with John Chilcot. Subject to your views, we think the best course would be for Peter to tell his contacts that it is essential to integrate their plans with our own thinking for this part of the United Kingdom. We in principle will welcome their help in generating more American investment in Northern Ireland, and are not against their wish to make an announcement before the 8 November elections. However, unless we can be given precise

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details of what they have in mind, and an opportunity to make a genuine input to their ideas, there is a serious likelihood that we shall end up at cross purposes. (If necessary, Peter might have to warn that there are some American ideas which we might not be able to accept. If they were launched at us in public, we might even have to disagree publicly with them.)

Having persuaded the Americans to engage in full consultation with us, we would want to delay the process so that their announcement did not come out until the end of October. John Chilcot could arrange for NIO officials to fly to Washington to discuss the American plan and make their input. Their journey might be timed so that the discussions took place on about 26 October, or a day or two later.

An additional explanation which you might give the Americans is that we are deep in negotiations with the European Commission over a substantial package of EU investment in Northern Ireland. This is causing a slight delay in finalising our own plans, but we are confident that we will be ready to talk in detail to the Americans by about 26 October.

If you are content with this line, please feel free to deploy it straight away. It would be helpful if you could continue to keep me posted, as well as the NIO.

I have taken one step at this end. Dick Holbrooke was still in town when I heard from Peter. I therefore passed a message through Admiral Crowe insisting that we should be consulted properly before the Americans finalise their package. I said that this was important in the political context because the unionists and others were showing sensitivity about the perception that Northern Ireland's future was being decided in Washington (a point I had already made to Crowe about a week ago). I urged Holbrooke to try to get a grip on this process when he got back to Washington and keep us posted.

I am sending a copy of this letter to John Chilcot at the Northern Ireland Office.

Yours ever,
Roderic
RODERIC LYNE

Jeremy Greenstock, Esq., C.M.G.,
British Embassy, Washington.