
northern IRELAND

To: Mr David Watkins
Stormont Castle

31 May 1995

Dear David,

**THE WHITE HOUSE CONFERENCE FOR TRADE AND INVESTMENT
IN IRELAND 24TH/26TH MAY, 1995**

The Embassy has reported the Conference in Telno 1336 of 26 May. There follows my personal observations on the Conference.

SUMMARY

This "extraordinary gathering" turned into a successful Conference which satisfied most of the participants. Early attention paid to Gerry Adams did not last beyond his meeting with the Secretary of State. In his speech the President emphasised the decommissioning of weapons and promoted Northern Ireland's industrial development potential. Business sessions were well subscribed. All concerned engaged vigorously in net working including District Councils and Community representatives. Employment session dominated by effective presentations by Northern Ireland speakers. MacBride lobby comments muted. Overall, the atmosphere of the Conference was excellent. The US Administration plan extensive follow up. US economic initiatives for supporting peace are low on funding but hold out some prospect of business contacts potentially useful to inward investment, joint ventures and trade.

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'AN EXTRAORDINARY GATHERING" (President Clinton 25 May, 1995)

At the end of the day the impossible seems to have been achieved - that everyone is happy with this Conference (although some are happier than others). This was a remarkable outcome to a unique event at which the President and his top men hosted the widest possible representation of political and business Ireland, North and South. All who took part are challenged to respond to a remarkably generous effort in terms of high level attention from the US Administration. It must be unique indeed for the President to urge the US private sector towards investment in one small region. One particular paragraph of the President's speech reads like an IDB promotion. It begins: "So I urge American businesses and all others to consider investing in Northern Ireland and the border counties".

ORGANISATION

Not everything ran according to plan, for example, the White House reception on the Thursday evening. Those who organised the Belfast Investment Conference in December are well ahead. At least 30 US officials have been working on this conference. Representations on arrangements were made to the Administration team: not a single written commitment came back. We realised that our involvement would have to be a totally flexible and we had to be ready to react to circumstances at short notice such as not knowing in advance the location of the various events. So it proved to be. In fairness, the Administration team faced an uphill task. There was constant lobbying by potential invitees both Irish and US, and the Sheraton Washington hotel proved difficult to deal with at all stages. In the event the organisational hitches were absorbed by the sense of occasion which prevailed.

✓ Detailed arrangements apart they got some important things right. Administration officials are to be admired for keeping their eye firmly on the economic theme. They also adhered in a determined way to the six border county constraint on ROI participation. This target area was kept in focus even in the main speeches, despite the unweildy geographical description involved. The speeches by the President and Vice President leaned towards Northern Ireland. Throughout, our Irish colleagues worked hard and effectively and by and large cooperatively. The IDB and IDA enjoyed good mutual cooperation.

FRINGE EVENTS AND REGISTRATION

Wednesday 24th May was registration day for the conference. The event officially started at 7pm but this was preceded by a wide variety of receptions and fringe events for delegates which began on the Tuesday. These are well outlined in the Maurice Hayes article in the Irish Independent of 29th May (copy attached). Such events served a good cause as ice breakers and networking sessions.

GERRY ADAMS AND THE TURN OF THE CONFERENCE TIDE

Gerry Adams initially attracted all of the media attention. His was the only photograph to feature in advance coverage in the US press. On the Wednesday evening a Sinn Fein reception was well attended. The press waited impatiently for the Adams/Mayhew meeting, which was preceded by a meeting with the UUP and SDLP (save that John Hume was unable to find the right room until the last minute). There followed the meeting with Adams. The Secretary of State and Adams then joined (separately, after briefing the media) the official dinner hosted by Senator Mitchell with everyone curious about that meeting. Cardinal Daly and Rev John Dunlop got us off to a good start. The spotlight began to move away from Adams. Then came the Vice President's speech. Al Gore's speech was quite long and very generous in content towards Northern Ireland. It set the tone for next day's plenary and lifted the Conference to a different level. Thereafter Adams and Sinn Fein seemed to fade away.

THE PRESIDENT'S SPEECH

The President's speech was the centre piece of the Conference. Inter alia the IDB should find it most helpful. The content was most satisfactory from our point of view both economically and politically. The President was supported by Secretary of State Warren Christopher and Commerce Secretary Ron Brown. Together they represented a formidable focussing by the top Cabinet members on Northern Ireland. Even if the Administration aim is to chalk up Northern Ireland as a foreign policy success, they are clearly prepared to work intensively towards what they will see as successful outcomes. They will express what they are doing in terms such as "taking risks for peace". The speeches paid due attention to the sensitivities, particularly to those of a Unionist persuasion. The President's speech made a profound impact on the majority of the Conference participants. Playing the US economic card in the peace process now looks very effective (even if there is no money behind it). It is a theme around which most people can agree. It also puts pressure on Sinn Fein. This was summed up for me by a TV interviewer's question to Senator Mitchell: if I were a US businessman wanting to invest in Northern Ireland, could I be sure that the IRA with all their weapons were not going to start again? Sinn Fein are now up against the economic imperative of supporting job creation as well as the political pressure brought to bear on

them in the President's speech "to take the next step and begin to discuss serious decommissioning of weapons" The words "Northern Ireland is open for business" were actually used by the Vice President but the President amplified that theme. This was what we had worked for, and provides us with a better platform for our inward investment and trade efforts.

THE "BREAK OUT" SESSIONS

By Thursday lunch time the barometer for the conference was set fair for business, all concerned greatly encouraged by the main speeches. We had fears about the organisation of the so-called "Break Out" sessions. But apart from a mismatch between room size to participants (which I particularly noted in the IT, Tourism and Community Development Sessions), these were as successful as the circumstances would allow, particularly shortage of time. They were all well attended and marked by serious endeavours. IDB consider that 44 representatives attended from US companies with high inward investment potential for us.

MATCHMAKER

The core business initiative was the Matchmaker project. We were apprehensive about having frustrated NI firms on our hands unable to find the US partners envisaged in the project. At the end of the previous week no "Matches" had so far been made by the Department of Commerce organisers. We also feared for the effectiveness of the computer messaging service. The feedback, however, has been mainly positive, with a surprising number of contacts made: the computer system worked and was widely used. There were 78 Irish firms seeking contacts (34 from Northern Ireland) and 125 appointments were made for them. Nearly all the participants got something out of this. More important, the process can be developed further in the days ahead.

SPECIAL BREAK OUT SESSIONS

There were two "special" breakout sessions for client groups outside the main private sector business stream. One of these was on "Community Development" to cater for the non-profit organisations who clamoured to be invited to the conference. The other was entitled "Employment" and this was to cope with the MacBride lobby.

COMMUNITY DEVELOPMENT

As we had foreseen, the Community Development session might as easily have taken place in Belfast, for US participation in it was minimal. Discussion was somewhat disjointed. Nonetheless, these people were able to go with the flow of the rest of the conference and will have gained some encouragement from it. They will have learned that there is no public US money likely to be available for their causes. One knowledgeable US participant pointed out that Northern Ireland was further ahead on community development than the United States.

EMPLOYMENT

The "Employment" session was chaired by Tom Donahue. Although he was obliged in his opening remarks to nod towards the MacBride principles as AFL-CIO policy, he proved a highly credible chairman. The panel of speakers from Northern Ireland were effective. Bob Cooper of the FEC stated the facts and was convincing in debate. The Cardinal and John Dunlop made sure that the high moral ground was not left to McManus. Inez McCormick spoke in a way which impressed the US people in the audience. Professor Eithne McLaughlin representing SACHR was concise about the forthcoming review of the Fair Employment legislation. Roy McNulty of Shorts/Bombardier gave a testimony on the efforts of Northern Ireland's biggest private sector employer to redress the inherited imbalance in their work force.

There was time for some comments from the floor. McManus said that he wanted it understood that he supported investment in Northern Ireland (a bit of repositioning here). Bob Linnon for the American Irish Unity Conference said that they had been promised that the Northern Ireland legislation would solve the problem. Bob Cooper gave a very effective reply on the lines that no legislation, however good, would completely solve the problem on its own. Two others from the MacBride stable asked questions. Oliver Kearney made an obscure point about a press release from Baroness Denton announcing amendments to the FEA in advance of the review. The best that Fr. Desmond Wilson could do was to try to put the Cardinal and Rev. Dunlop on the spot by questioning the morality of having an armaments factory in Northern Ireland. Wilson declined to respond to Dunlop's enquiry as to whether he wanted to close down the Shorts missile factory.

There was a large, attentive and well-mannered audience. We had for once sufficient troops on the ground, of the right calibre to take the day. No harm whatsoever was done to the inward investment effort: on the contrary it was enhanced and the impression left that the fair employment aspects of new inward investment would be high on the agenda. We thus achieved our main objective. It would be useful to have a written up report of the

proceedings. The MacBride people will return to the fray although probably more supportive of investment. There still remain the Irish/American constituencies: and those who seek their votes may still feel the need to emphasise MacBride perhaps out of what has now become a habit. But there was a feeling last week that MacBride had perhaps passed its high water mark: the fate of the Gilman Bill in Congress this summer will be the next important test.

DISTRICT COUNCILS

A client group not specifically catered for at the Conference were the District Councils, represented by their heads, (Mayors or Chairmen) with the Lord Mayor of Belfast and the Mayor of Derry to the fore - and their Chief Executives - a group of about 50 in all. They seemed to allocate themselves between breakout sessions without bother and lent their efforts to making contacts. I comment in passing that this group of 20 or so councils will undoubtedly have been stimulated by the conference to seek to develop further contacts in the US. This makes for handling problems in our Northern Ireland system with a potentially fraught interface between the Councils, the IDB, LEDU and the DOE. From what I have seen some good work has been done by some of the Councils. Belfast is flexing its promotional muscles aided by the same people in Boston who related so strongly to Derry in the past. Craigavon has made good contacts in Tennessee. Armagh has adopted a very systematic approach involving Virginia locations. And there are others. It is good if they can find new contacts using the limited finance available to them but the successful delivery of any project will have to involve the IDB, sooner rather than later.

MINISTERS

Our Ministerial team were not in the least put out by being outnumbered by ROI Ministers. The Secretary of State was widely commended for his handling of the Adams issue, for the trouble he took with the media, and with participants of all shapes, sizes and persuasions who came up to him non-stop during the conference proceedings. He was impressively magisterial following a good speech by Dick Spring at the Anglo-Irish lunch. People were left in no doubt that Sir Patrick was a vital player: his gravitas is reinforced by his imposing physical stature. Admiral Crowe introducing him made a subtle reference to the deep Irish roots of Sir Patrick's family - food for thought to some of the US observers.

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Baroness Denton came on Monday and engaged in a heavy programme of media exposure. Her speech to the Friday breakfast, speaking last of three, was a tour de force. Following her speech, the man responsible for compereing the Conference, Chuck Meissner, was moved to tears by "this beautiful experience". The atmosphere became emotionally charged. This demonstration of commitment added to the feeling that this conference had become something out of the ordinary.

Mr Moss hosted a reception for the District Councils and the community groups which turned out to be a very successful event and was much appreciated by those who attended.

THE UNIONISTS

The feelings expressed by participants were almost universally positive on this conference. But there is a caveat. Unionist politicians did not come to the Conference totally at ease and were hyper-sensitive to all Ireland approaches as well as having concerns about Gerry Adams. Their worst fears were justified by the early intensive exposure of Adams. They could not find fault with the speeches of the Vice President and The President. Nonetheless Roy Beggs MP could still say to the media: "the majority in Northern Ireland had been marginalised at the Investment meeting". However they said that they had made some good contacts. On one thing the UUP seem agreed: that they have got to make a greater effort in the US. Tony Culley-Foster has made a bid to service their cause here. DUP representatives seemed to remain cold to the proceedings throughout.

THE SDLP

The SDLP were also unhappy at the over exposure of Gerry Adams. John Hume was singled out by the President but did not, of course, speak as apparently he had badly wanted to do. We should note the effectiveness of the joint Unionist/SDLP effort on behalf of the Belfast City Council. This has built on previous efforts in the US involving such people as Lord Mayor Hugh Smyth, Reg Empey, Joe Hendron MP and Dr Alistair McDonnell.

THE US FOLLOW-UP

More US involvement is promised and the hyper-active Chuck Meissner will be in Belfast before this note. Senator Mitchell has always said that the Conference was to be seen as part of a process and not an end in itself. Some exotic prospects are being floated. There may be a Presidential visit to Northern Ireland as well as to London and Dublin in the autumn. There is also talk of another Conference, perhaps in Dublin: some have suggested a European venue. Our system will have to cope with the substance of all this US momentum however it manifests itself. The political side apart, we have a number of US economic initiatives to follow up which the Administration label as supporting the peace process.

At the practical level we are assured that a number of US trade and investment missions to Ireland will take place over the next few months.

I have annexed a list of the President's economic initiatives. These have been issued as a Press Release. Apart from the proposal to increase IFI funding they do not amount to a hill of beans financially. Unfortunately the Northern Ireland media keep on using headlines about more millions from the USA. Some of the initiatives are already under way such as the AMBIT (Business Intern programme), the Department of Commerce's business information centre, National Endowment for Democracy training programmes for politicians and increased co-operation in science and technology. (An attempt to agree a Memorandum of Understanding on the latter failed to materialise). Other items on the list such as the services of the Export/Import Bank (Ex-Im) and the Overseas Private Investment Corporation (OPIC) are available anyway insofar as they are relevant and consistent with their remit, which is primarily to benefit US companies.

IFI FUNDING

The most significant item is IFI funding. And indeed some of the other initiatives turn on the availability of IFI funding (AMBIT and the Technology Trust Fund (BIRD)). The President said that he had increased his funding request for the IFI to almost \$60 million over the next two years. This is actually just another way of expressing what was in the White House statement of November 1, 1994 and not new. The big question is whether IFI funding will survive at all. It probably will, but perhaps only at the original level of \$20m per year for the next two years - provided Gilman drops his linkage to the MacBride-like "principles of economic justice" (Tel no: 1210 of 16 May).

TECHNOLOGY TRUST FUND FOR PEACE (a BIRD derivative)

This initiative has been thrust upon us despite reservations by those immediately concerned with this kind of work. Neither we nor the Republic are committed to a contributing to the Fund. The Boston lobby (John Cullinane and Frank Costello) will continue to press this project and no doubt a lot of discussion will follow particularly as Chuck Meissner has been charged with "exploration of the potential benefits" in Dublin, Belfast and London.

OTHER NEW INITIATIVES

X New initiatives relate to Agricultural Exchanges, Tourism Co-operation and a pilot programme established by the Small Business Administration (SBA) which is a new player to us and one which may provide some interesting contacts involved in the small business development.

US intervention in the "peace process" has chosen an economic approach. There is very little US money behind this although there is much goodwill. The prospects of making business contacts potentially useful to inward investment, joint ventures and trade are the important aspects of these initiatives. Their further development will require a lot more contact between ourselves and Administration officials.

*Yours sincerely
Donald*

**Donald J Alexander
Northern Ireland Bureau
31st May, 1995**

SUPPORTING PEACE IN NORTHERN IRELAND: PRESIDENTIAL INITIATIVES

The Main points of the proposals are:

- a. the work of Senator Mitchell's office is to continue until the end of the year, and the Senator will continue to lead it. He will lead a Mission to Northern Ireland and the six border counties in July,
- b. A proposal to increase IFI funding in conjunction with the European Union.
- c. A technology trust fund for peace ("BIRD").
- d. The AMBIT business intern programme (already launched).
- e. Two new posts at the Belfast Consulate General (US) - one Commercial Officer and one US Information Agency Officer.
- f. Potential opportunities for US firms in the transport and environmental fields in Northern Ireland - results of a study financed by the US Trade and Development Agency (TDA).
- g. A Department of Commerce Business Information Centre for NI and the border counties.
- h. Increased cooperation in the science and technology area.
- i. Funding by the US Information agency of an exchange project on conflict resolution involving Fordham University and the University of Ulster.
- j. Export/import bank of the US: access to Ex-Im services.

- k. Agricultural exchanges.
- l. Co-operative efforts in tourism services, marketing and promotion
- m. A pilot programme with Small Business Administration (SBA) client companies seeking alliances with Irish and Northern Irish firms.
- n. National Endowment for Democracy. Training of politicians.
- o. Availability of OPIC programmes.
- p. Development of a programme of US trade and investment missions. NI Seminars in the Department of Commerce district offices in USA. (First at Grand Rapids, September, 1995).