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FROM: DEIRDRE KENNY
10 OCTOBER 1994

cc Working Group
Members

MR WATKINS

US ECONOMIC ASSISTANCE PACKAGE

1. I have trawled through the papers on this topic and have listed the many items that have been identified from a number of sources as possible elements of a US aid package to Northern Ireland.
2. I have separated them into those that do not require any significant cash contribution from the Federal Government (Annex A) and those that do (Annex B).
3. I have included all ideas on those lists for the sake of completeness. Therefore, while I understand that the Americans are not receptive to any tax concessions, I have included these at Annex B.

Deirdre Kenny

DEIRDRE KENNY

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ANNEX A

US ECONOMIC ASSISTANCE: NON-MONETARY PROJECTS

1. An Investment Conference

An investment conference, preferably in NI, involving major US corporations, with a clear signal from the President that the administration wanted to see increased investment in Northern Ireland.

2. Trade Delegation

US trade delegation to NI led by Vice-President Gore or Commerce Secretary Brown which would complement an Investment Conference if held in NI or follow on from it if held in Washington.

3. Equity Fund

An OPIC administered equity fund for NI involving low interest money made available by interested US states and private sector interests.

4. Long Term Unemployed

- (a) Ministers are considering launching a major programme of work to provide community-based jobs for thousands of the long-term unemployed, including a significant training element (community work programme). This would start with experiments in the most disadvantaged areas as soon as possible. If Ministers accept these proposals, the US Government might assist this programme with advice and technical help.

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(b) Creation of 12,000 12-month work exchange placements per year in the US for a period of 5 years primarily for long-term unemployed from disadvantaged areas.

5. Business Education

An expansion of the existing Business Education initiative which provides business training in the US for graduates.

6. Research and Development

Expanded R & D co-operation and twinning between NI institutions and US counterparts and advice from USG on orienting public R & D spending to maximise private sector competitiveness.

7. Agriculture

Using the 1955 US Farm Bill to extend to Northern Ireland the provisions in the 1985 Farm Bill on exchanges between the US and the Republic of Ireland.

8. Procurement

Procurement policies directed at NI eg MOD Orders for Starstreak from Shorts, and Army shirts from Londonderry.

9. Business

(a) Increased technology transfers between the US and NI.

(b) US economic envoy to NI

(c) MFN status for NI

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10. International Fund for Ireland

Refocussing of IFI to provide greater support for Tourism projects.

11. Health

Increased US/NI medical exchanges.

12. Air Travel

Elimination of any elements in the bilateral aviation agreement that act as disincentives for direct air services between US and NI.

13. National Endowment for Democracy (NED)

Reforms the targets for the \$2.5m increase in the NED budget that has already been set aside for the NDI.

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ANNEX B

US ECONOMIC ASSISTANCE PACKAGE: MONETARY PROJECTS

1. Support for Belfast, Londonderry and Rural Development Initiatives.
2. Increased funding for IFI.
3. Support for Springvale campus, possibly as an IFI Flagship Project.
4. Increased support for tourism development possibly channelled through the IFI.
5. Additional resources for the Integrated Education Trust Fund to support a faster growth rate of new independent integrated schools.
6. Open an "American House" in Belfast to promote community reconciliation programmes.
7. Increase the funding for Northern Ireland in the various USIA - administered International Visitor Programmes.
8. Road and rail infrastructure projects.
9. "President's Highway" from Belfast to Dublin.
10. Additional resources for housing channelled through the voluntary sector.
11. Establishment of a Medical Research Institute linked to the Belfast Teaching Hospitals.

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12. Provision for Arts/Sports/Tourism eg concert hall for Londonderry, sponsorship of visits by world class entertainers and a major centre for sporting excellence.
13. Chair of Peace Studies at Magee ("Tip O'Neill Chair").
14. Tax concessions
 - on repatriated profits for US firms willing to train long-term unemployed from disadvantaged areas.
 - on textiles re-imports.
 - for US firms investing in NI.
 - to allow US companies to write-off new capital investment in NI against US tax.
15. Special export subsidy for goods from NI and the border countries.
16. \$200m guarantee for US distribution facilities in NI.

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