107196 1=8-1.96 RESTRICTED 660 800286 9/1 FROM: A J N Tansley British Embassy, Dublin DATE : 3 January 1996 PS/PUS (L&B) - B CC: PS/Sir David Fell - B Mr Waykins - B hor menes Mr Thomas - B Mr Leach - B Mr Stephens - B Mr Lamont, RID - B Mr Pellew, NAD (via RID) - B Mr Westmacott, Washington - By fax DESK IMMEDIATE 1. u h Gilgen 159 2. hu from 181 Julie pl Ms Checksfield - B In Chillags te Third CHICAGO INVESTMENT CONFERENCE

1. Please refer to your minute of 4(sic) January to David Watkins.

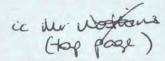
We agree that it would be worth putting our case for the 2. Chicago Investment Conference to be in a 6 + 6 format, rather than on an all-Ireland basis, to the Irish Government. Initial soundings here (with Brendan Scannell, Counsellor in Anglo-Irish Division in the DFA responsible for, inter alia, North-South economic matters) indicate that Irish thinking on the arrangements for the conference is still at a very early stage. There is a chance that the Irish Government could be persuaded of the merits of a 6 + 6 format for the conference. But there are bound to be strong pressures the other way, from TD's and others representing areas outside the border countries - as there were a year ago. An all-Ireland investment conference is also more likely to provide a platform for those who seek to promote "harmonisation" of tax rates on manufacturing companies North and South of the border - by which they mean Northern Ireland detaching itself from the UK and adopting a 10% rate (as in the Republic). This, as we know, would only alarm unionists. We need to head an all Ireland event off.

3. We therefore see merit in raising the matter at an early stage with the Irish Government and suggest that we do so at tomorrow's Liaison Group meeting.

> (Signed) A J N Tansley

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FROM:

CLARE CHECKSFIELD IPL 7 A JANUARY 1996

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## CHICAGO INVESTMENT CONFERENCE

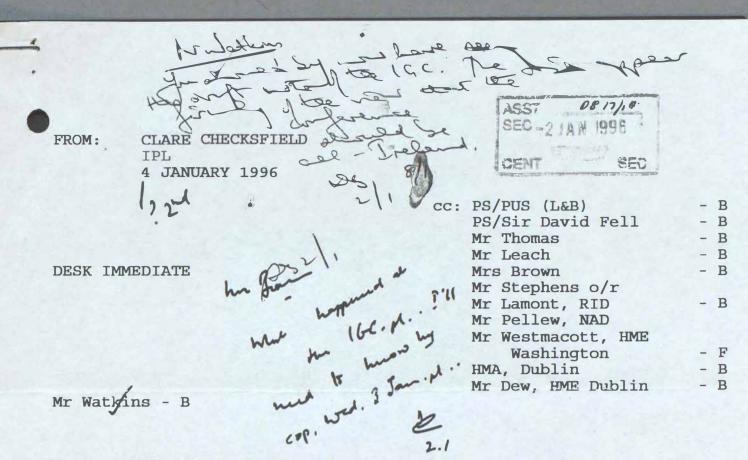
You spoke to Jonathan Stephens about the NIO response to Peter Westmacott's letter of 15 December, recording the NSC view that this conference is already an all-Ireland affair. This is a view which has been given added credence by Chuck Meissner.

I passed on to Peter your view that although our firm 2. preference was for a 6 + 6 format for the conference, that on balance, an all-Ireland investment conference was better than no conference at all. Peter's view is still that the pass has been sold, but that we should still try to persuade Washington (and the Irish Government) to change their minds.

There is a good case for using Michael Ancram's possible visit 3. to Washington in early February to argue our case in person with Ron Brown, and we should also take this up with the Irish Government. This is apparently to be a tri-partite conference, but there has been no discussion, to may knowledge at least, with Irish colleagues. I should be grateful for advice from the Embassy in Dublin.

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4. If we are to make an effort to regain the format we want, we will need to make a concerted move on the US Embassies in London and Dublin (although as undeclared originators of the plan, not likely to be receptive), with Washington and our Irish contacts. In the first instance, it seems sensible to start from the following position:

we were not consulted before announcement;

(ii) in principle, very supportive, but surprised that this should be a different format to previous conference in Washington;

(iii) the value of balance is incalculable, and 6 + 6 maintains that.

5. In the final analysis, we will probably not want to insist on the format to the point of confirming American worst suspicions, but we could make a determined attempt to unravel the present stitch-up.

SIGNED

(i)

CLARE CHECKSFIELD International and Planning Division OAB Ext 6503

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