



26 April 1995

TO: Mr Gibson

FROM: M J Briant

cc Mr McDonnell  
Mrs Young  
Mr Carson

Miss Keenan

PL DA

T.M. Cobe

28/4/95

*McAlister 28/4*

*McAlister 27/4/95*

**US SUPPORT FOR PEACE IN NORTHERN IRELAND**

1. You requested an update on progress in capitalising on President Clinton's announcement on 1 November 1994 of US support for peace in Northern Ireland. The specific area you asked me to comment on was that of "increased funding for IFI".
2. The United States currently provides funding of \$19.6m (1995 financial year). In November of last year President Clinton announced that he would ask Congress to increase this level of funding to \$30m for fiscal years 1996 and 1997. The request for 1996 is currently with Congress and a final decision is now not expected before May/June 1995. Soundings taken by the Fund would indicate an increase in funding is not realistic given current US stance on foreign aid.
3. I am attaching to this minute a copy of the report on Mr McCarter's recent visit to Washington (20-21 March) when he met with a number of key Congressmen and Senators regarding the prospects of continued US support for the Fund.

**M J BRIANT**





## INTERNATIONAL FUND FOR IRELAND

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### Chairman's Visit to Washington

20-21 March 1995

1. The Chairman, accompanied by the Joint Directors General, visited Washington on 20-21 March and met with a number of key Congressmen and Senators regarding the prospects of continued US support for the Fund. The US alternate Observer Mr. Tom Quinn hosted a lunch during the visit for key contacts and staffers. Mr. Quinn also attended a number of meetings on Capitol Hill.

#### Congressman Sonny Callahan

2. Referring to President Clinton's proposed increase for the Fund, Congressman Callahan, Chairman of the Foreign Operations Subcommittee, said that this was "unrealistic" and that he would have a difficulty keeping the existing money intact. He indicated that the Fund was lucky to have avoided cuts from the recent recession measures agreed by Congress. The Congressman said that all foreign aid was going to be cut and that "everybody is going to have to share in the sacrifice".
3. Congressman Callahan doubted that the peace process was dependent in any way on the \$10m increase in Fund support which the President was seeking. He did not wish anyone to represent a shortfall on the \$30M as indicative of a lack of support for the peace process - "we are very interested in continued peace". The problem was that the US was continuing to borrow money to pay for foreign aid and this was unacceptable. He concluded that he would do what he could but "it is not going to be \$30M".

#### Senator Mitch McConnell

4. In his meeting with Senator McConnell, Chairman of the Foreign Operations Subcommittee, the Chairman emphasised the importance of the next two years. He said that maintenance of the Fund during this period was particularly critical. The Senator responded that he did not know at this stage what was going to happen to the Fund's US support but added "I have some sympathy for what you are trying to accomplish".

5. T. Senator said the fact that the Chairman saw the Fund in finite terms "greatly enhances your position". Progress in the peace process was "encouraging to all of us" and he would take into account the Chairman's concerns about the need for continuing funding. While saying that he had an Irish background dating from the 1750s, McConnell added that everyone in the Congress had to have a "disconnect" between where they came from and where US interests lay. At the end of the meeting, the Senator indicated that the Chairman's strongest points were the continuing peace process and the finite time-frame which he envisaged for the Fund.

Congressman Dave Obey

6. Obey, ranking minority Member on the House Appropriations Committee, emphasised the big changes on Capitol Hill since last November and said there was going to be substantial reductions in the foreign aid budget - "the largest in my lifetime". A 20 to 25 percent cut in the foreign aid bill was possible. On the Fund, Obey said that he would do the best he could but that it was "a crazy, crazy year".
7. The Congressman suggested that the Chairman should pitch his approach to the effect that a reduction on the Fund would be misunderstood at this moment of peace in Ireland. However, it was going to be a hard slog. The question of the "unobliged balances" of the Fund was a problem and this needed to be continually explained as these unobligated expenditures were always vulnerable.

Congressman Charles Wilson

8. Congressman Wilson, who is the ranking Democrat on the Foreign Operations Subcommittee, was more upbeat than many of his colleagues. He said that the Fund had got "pretty broad support" and he added "I see no problems for you".

Senator Kennedy

9. The Chairman told the Senator that the mood in Northern Ireland was very positive but that the next two years were going to be crucial. It was very important for a continuation of US, as well as EU support, during this period. He emphasised that the Fund had gone to considerable lengths to reach out to Unionists and there was a lot of investment going into Unionist areas. At a time when the Unionists were developing an interest in the Fund, the Chairman said that it was all the more important that it should be maintained.

10. Chairman said that the Fund's projects were all of good quality. The Fund itself has committed US\$400m but this had the effect of leveraging some US\$800m and the creation of some 30,000 new jobs. The Senator said that while he had mentioned the Fund to Speaker Gingrich, he had no immediate reaction from him. The Senator offered to include in the Record of the Senate some positive media reports on the work of the IFI.

11. Congressman Walsh, Chairman of the Friends of Ireland  
 Congressman Walsh hoped to be in Ireland in the first week in July and said he would like to see some Fund projects. He thought that, while we might be able to secure last year's level of funding, getting an increase as envisaged by the President was going to be very difficult. Walsh said that he has also been speaking to Congressman Klug who has been a persistent critic of the Fund. He was hopeful that the Congressman may be "softening a bit". Again, the Chairman emphasised the crucial stage that the peace process was at and the importance of continuing funding, at least over the next two years.

Congressman Tommy Manton, Chairman of the Ad Hoc Committee on Irish Affairs

12. The Chairman emphasised the very full pipeline of projects and the fact that Fund is an integral part of the peace process. Congressman Manton said that he was working on Congressman Sonny Callahan to persuade him of the value of the Fund.
13. There was some discussion on the allocation of Fund resources between North and South. Manton said that during a recent visit by Irish Senator Paschal Mooney, the latter had complained about the 25 percent allocation to the Southern border counties. In response, the Chairman said that the 75/25 percent apportionment had been agreed by the two Governments in 1986. He suggested that this was an approximate apportionment.

14. Mr. Tom Dine, Asst. Administrator USAID (for Europe)  
 The Chairman met Mr. Dine prior to his meetings on Capitol Hill. Mr. Dine expected that Congress was going to cut IFI funding and that the appropriations for fiscal year 1996 could be as low as \$12m. He suggested that, in his meetings, the Chairman should emphasise the importance of continued American participation and the fact that the Fund was very much a part of the peace process.

15. Dine acknowledged that it would be difficult to withstand a reduction if the Congress was determined to make cuts across the board. He said that there would also be an advantage in seeking to link continued US commitment to the Fund to the EU commitment, which is scheduled to last until 1997. This was also a period in which the peace process would be at its most important and delicate stage. Dine expected to be giving evidence in the coming week to the Senate Foreign Relations Committee and would use every opportunity to advance the case of the Fund. Frankly, however, he said that it was a very difficult environment.

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Reception at the Irish Embassy

16. Mr. Michael Collins of the Irish Embassy hosted (in the absence of Ambassador Gallagher) a reception for about one hundred people. Among those present were Senator Patrick Leahy, former Speaker Foley, Congressman Thomas Manton and representatives of Speaker Gingrich's office.

IFI Secretariat  
April 1995

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Can you get together - a draft for the brief's signature etc - do you need to consult IFI etc  
EJP - 9/19/4

1 Mrs Yarnes 27/4  
2 Mr Kidd  
- please see request below  
is requested to provide advice by 28.4.95.  
ABN 13.4.95

- cc Mr Maxwell
- Mr Ross 13.4.95
- Mr Briant
- Mr McConnell
- Mr Walters
- Mr Maccabe
- Mr Hingston
- Mr Hamilton, DOE
- Mr Gamble
- Mr Buckland
- BF 28.4.95

Mr Alexander

**US SUPPORT FOR PEACE IN NORTHERN IRELAND**

An update on progress in capitalising on President Clinton's announcement on 1 November 1994 of US support for peace in Northern Ireland has not been prepared since 3 February. Ministers are likely to seek a further update before the Washington Conference and the purpose of this minute is to seek contributions.

The support items included in President Clinton's announcement were:-

1. White House Conference for Trade and Investment. Mr Maxwell is responsible for Northern Ireland's contribution to this and is reporting separately. I do not see any need to include details of the arrangements in this update.
2. Support for Belfast Investment Conference. An update on the outcome of this is being provided separately by IDB.
3. Increased funding for IFI. I would be grateful if Mr Briant could provide an update on the approval process and any indications of how the money might be spent.



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3. *Science and Technology. Again, this is likely to feature strongly in any briefing for the Washington Conference but I would, nevertheless, be grateful if Mr McConnell could provide a summary of progress please.*
4. *Business Information Centre for Trade and Investment. The last update notes that we might achieve little from this other than the possibility of James Gray becoming a subscriber to the database. I should be grateful if you or IDB could update me please.*
5. *Business Intern Training Programme. Mr Walters to provide a brief update please.*
6. *USIA and NED Programmes. It was agreed that NIO would take the lead on these and I should be grateful for an update from Mr Maccabe please.*
7. *US Agency for International Development. Mr Buckland was to arrange contacts with this organisation through you and I should be grateful for any update. You might be interested in the attached advert which I saw in this week's "Economist"; and*
8. *Trade and Development Agency. I have seen Janet McIver's minute to Nigel Hamilton on this and would be grateful if Nigel could give me a paragraph for inclusion in the update.*

*Briefing is likely to be sought by Ministers around the beginning of May and I should, therefore, be grateful for contributions by 28 April.*

**D GIBSON**

12 April 1995



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