

**NATIONAL ARCHIVES**

**IRELAND**



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Following is text of speaking note:

1. The principal obstacle to a political solution in Northern Ireland is the intransigence of Unionist/Protestant opinion. This intransigence stems from a feeling in the Unionist community that they are a minority in the island of Ireland whose interests are constantly under threat and, from the violence of the Provisional IRA, attack.
2. There are three sources of Unionist/Protestant paranoias:
  - suspicion about the intentions of Dublin; these anxieties have been allayed by the forthright policy and actions of the Government in Dublin against violence and in support of moderate political policies in Northern Ireland.
  - Suspicion about the Nationalist/Catholic community in Northern Ireland; again, these suspicions have been reduced by the evident constant support given by the majority of Catholics in Northern Ireland to the SDLP, which opposes violence and supports moderate policies.
  - Feelings of being threatened by the outside world principally the United States and, in particular, the Irish-American community.
3. There have been in the past some grounds for anxiety about the situation in the United States. President Carter's telegram to Dr. FitzGerald of October 28, 1976 and the agreed communiqué issued by Secretary Vance and Dr. FitzGerald on March 17, 1977 removed anxieties about the position of President Carter and his administration.

It is our feeling that understanding of the Northern Ireland situation has been growing for the past few years in the Irish-American community and that those who now support violence - in moral or financial terms or through gun-running - are a tiny minority. Nevertheless, until recently there was a strong feeling on the part of the Unionists/Protestants in Northern Ireland and some extreme Nationalists/Catholics that the IRA had many friends in the United States including a number of powerful political leaders.

The statement issued on St. Patrick's Day, March 17, by Speaker O'Neill, Senators Kennedy and Moynihan and Governor Carey in calling

for an end to violence in Ireland and an end to support for violence in the United States had a considerable impact in correcting this false impression. Its effect was strengthened by subsequent courageous speeches by Governor Carey (in Dublin) and Senator Kennedy (in New York). There is a new and healthier understanding of the position of Irish-Americans on the part of the people of Northern Ireland and a new momentum in Irish-American opinion.

4. The successful handling of the recent strike by the British Government has created a more hopeful political climate in Northern Ireland. While no early major developments are expected, our Government is encouraged by (a) the public isolation of Paisley and his extremists supporters; (b) the responsible position on the strike taken by the other political parties in Northern Ireland, including the largest group, the Official Unionists and (c) the current effort of Mr. Mason to re-open the political dialogue through his talks with the various parties.

5. The Irish Government believes that the proposal made by the four political leaders who issued the St. Patrick's Day statement deserves the support of all responsible parties. The Government appreciates that the U.S. Administration has already publicly committed itself to several of the elements envisaged in the proposed statement - a call for an end to violence and support for violence, support for a negotiated settlement involving the two communities; a renunciation of a direct role for the United States - but it believes that great good can be done at this time through a public repetition of these principles.

6. The suggestion that the U.S. Government would publicly state that, in the event that the parties in Northern Ireland could successfully negotiate a settlement, the U.S. Government would be willing to provide assistance in an appropriate way is a new development. The Irish Government has carefully considered it and believes that if appropriately drafted, such a statement would provide encouragement to those in Northern Ireland, particularly in the leadership of the Official Unionist Party, who must be prepared to make some compromises if a solution is to be found.

7. The problem of unemployment in Northern Ireland has been one important source of tension and violence in the community. There is no doubt that the attraction of a negotiated settlement would be much enhanced for politicians and ordinary people if linked in some way with the prospect of more jobs in the community.

8. We suggest that the reference in the statement by the U.S. Government to the provision of assistance should not be specific in terms of detail.

9. In case the United States Government is considering a number of possible forms that assistance might take, the following ideas have occurred to us:

- investment guarantees: this would involve guarantees of the investments by American corporations in new and expanded plants in Northern Ireland;
- loan guarantees: this would involve guarantees of loans by financial institutions in the private sector to U.S. corporations to enable them to locate in Northern Ireland or expand their existing plants;
- job subsidies: this would involve pro-rated subsidies per unit job established by American corporations in Northern Ireland. Such a scheme would run counter to the rules of the Treaty of Rome in relation to competition policy but we would be fairly confident that the Nine would, in the circumstances, be prepared to make an exception in favor of Northern Ireland;
- statement of encouragement: this would involve a statement from, for example, the President welcoming the settlement and encouraging U.S. corporations to support it through investing in the area;
- tax incentives: this would involve the U.S. Government and Congress providing derogations from corporate profit tax in the case of investment in Northern Ireland.

All these proposals or any one or more would be welcome. They have the politically congenial feature that they relate directly to job investment which, as noted earlier, has powerful attractions for all sections of the community in Northern Ireland. They have the additional attraction that they are consistent with the current British policy of attracting U.S. investment to Northern Ireland and to that extent are unlikely to be rejected, in our view, by the British.

10. There has been a suggestion that a special fund might be appropriated by the Congress for use in Northern Ireland when and if a settlement was reached. This idea has both the attractions and the defects of being completely unprecedented. Its public impact would be considerable but there is a possibility that linking an offer of money (as opposed to jobs) to a peace settlement might be seen as a bribe by Unionists/Protestants and might thus be all the easier for extremist political leaders to reject. Moreover, such a proposal could not be said to be consistent with current British policies. The Irish Government view is that it would not object to such a proposal if it had the support of the British Government but the Irish Government would prefer proposals which are immediately linked to job creation.

11. The timing of a statement from the United States Government is obviously important in terms of the delicate political situation. It is our view that a statement would be helpful at this time but should not be issued during the "marching season" i.e. from approximately July 8 to August 16, when it is particularly difficult for Unionist/Protestant politicians to be seen to be conciliatory.

12. The Irish Government has no very strong views on the question of whether a statement should be issued unilaterally from the United States Government or whether a statement should in some way be associated with the four political leaders who proposed the idea. The Irish Government would have a slight preference for a statement coming unilaterally from the U.S. Administration and preferably President Carter himself, but it recognizes that the meeting of Secretary Vance and the elected leaders has received some publicity both in the United States and in Ireland and in Britain and that these leaders would inevitably be associated with any statement the administration might decide to make.

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