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CONFIDENTIAL

HCS/11/69

FROM: SIR K P BLOOMFIELD
24 NOVEMBER 1988

- cc PS/Dr Mawhinney B&L
- PS/PUS B&L
- Mr Fell
- Mr Murray
- Mr Hopkins
- Mr Thomas
- Mr Spence
- Mr Bell
- Mr J McConnell

29/11
Mr Wilson

MEETINGS WITH MR DOUGHERTY AND OTHERS

1. I was grateful for the very prompt minute of our meeting with the Americans on 17 November. This allowed us to use the minute as a part of the briefing for the discussions in Dublin in which Dr Mawhinney was supported by Messrs Burns and McConnell. If Messrs Fell, Hopkins and Murray are content with the record these minutes should now, I suggest, be circulated to others on the circulation list above.
2. In turn Mr Burns has sent me a note on the Dublin meetings, and I attach a copy of this (copied also to Mr Spence).
3. Mr Burns and I agreed on 21 November that as soon as possible he and Mr Bell should meet the NID officials so far involved to consider further the organisational implications of relating to a "network". The future deployment of Miss McIvor will clearly be one issue to be considered at that time.
4. In the meantime, I want to write to Mr Dougherty, in as much detail as possible, to deploy all the constructive ideas, whether derived from my earlier round of consultations with colleagues concluding on 16 September or from your contacts with Professor Gibson and others earlier this month, which lack of time prevented us from deploying in detail at the Stormont House lunch. I would be grateful if you would work up a draft, clearing it with DED, IDB, DOE and (as necessary) NIO.

KPB

K P BLOOMFIELD

24 November 1988
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CONFIDENTIAL

Sir Kenneth Bloomfield

cc ~~① Sir Kenneth~~ ^{in liaison} ② Mr. Spence ③ IF 14
PS/Dr Mawhinney (L&B)
PS/PUS (L&B)
Mr Fell
Mr Murray
Mr Hopkins
Mr Chesterton/Thomas
Mr Bell
Mr J McConnell
HMA Dublin



VISIT OF DOUGHERTY

The dinner in Dublin on 19 November, given jointly by Mr Fenn and Dr Mawhinney and attended by Messrs Hennessey, Cassidy and Dougherty, and General Kelley was a successful and constructive occasion.

Hennessey and Kelly were both frankly impressed by what they had found in Northern Ireland - Hennessey in particular went out of his way to mention housing, and commented that this, and the level of social security support obviously showed higher standards for Belfast than for Dublin. Hennessey was clearly anxious to follow up the discussions he had had in Belfast, and but while his interest has been aroused in the idea of helping "a common Ireland" (that is not just the Republic or just Northern Ireland) his way of doing so will be to do business there, rather than through philanthropy. Mr Cassidy, on the other hand, is clearly willing and anxious to promote political contacts through which others can be enabled to help Northern Ireland, and particularly those in the administration and in political posts. Dougherty is equally anxious to broker all this, was clearly flattered by Dr Mawhinney's complimentary remarks about him, and joined in the discussion to make a number of very helpful points (points which we might otherwise have had to make ourselves, but which undoubtedly seem more impressive coming from him as an outsider).

Among the points raised (and I see that several of these had already been raised in Belfast) were:

- (a) Hennessey is very interested in the idea of going into some enterprise where the risk is shared with the Government, and the

benefits. He returned more than once to the idea of risk sharing.

(b) Hennessey had not previously realised Allied Signal's interests in Shorts, and was cross with his staff (but not with us) for missing this point. He remains interested in the idea of making engines in Northern Ireland for the FJX: We did not comment to him about FJX.

(c) Hennessey said that he had already given instructions to his staff to follow up the question of bids on Shorts which he understood had to be in by 10 December: The opportunity did not arise for me to check whether he was talking about privatisation bids, or bids for some commercial contract - perhaps DED would be able to interpret what he meant.

(d) He is instructing his technology expert to visit at Queen's University very soon: The idea is that research might be commissioned in Northern Ireland, and that this could be linked to subsequent or simultaneous industrial work here - he mentioned (as he had mentioned in Belfast) both Allied Signal's rival to Kevlar, and the manufacture of anti skid brakes. I got the clear impression that he sees a number of opportunities in Northern Ireland, but does not yet have the data with which to refine them into workable options. He is, however, clearly interested, and will respond with drive so long as we keep responding emphatically and positively to him. I have a feeling that if we allow the pace of debate with Allied Signal to slacken, his interest will start to go off the boil.

(e) The US Marine Corps prepositioning ships were mentioned - Cassidy pointed out that although the location of these ships might be a NATO decision, the US Congress as paymaster was in practice in a position to insist.

(f) Dr Mawhinney raised the question of the preferential arrangements as secured for Israel: Cassidy offered to prepared briefing material on this for Dr Mawhinney's next

visit. He also said that the new Chairman of the Defence Appropriations Committee (Jack Merther(?)) was anxious to help.

(g) Cassidy wondered whether the American's Schools and Hospitals Abroad (ASHA) programme could be brought to Northern Ireland, with a view to developing technology there, perhaps requiring at some joint venture in Northern Ireland with American companies.

(h) Cassidy also wondered whether we might manage to secure an exemption for Northern Ireland to the rule that US Defence clothing must be made in the United States - perhaps joint United States/Northern Ireland producers might be allowed to qualify.

(i) Hennessey and Dougherty raised the question of our lobbying in the United States. Dougherty said that issues were put across more effectively if they came from Northern Irish voices than if they were seen as part of the Embassy's broader UK work. Kelley said we had a tremendous PR problem in the US - his loyalty was questioned when he said he was visiting Belfast. Both he and Hennessey said they had been advised, even on the eve of their departure, not to go to Belfast for security reasons. Kelley said we needed to show that any ideas we took forward were ideas that were good for a common Ireland.

(j) On the question of how our lobbying is organised, we agreed that what we needed was a mix of representing Northern Ireland as part of the United Kingdom, and separate representation of Northern Ireland's individual characteristics and needs. Details were not discussed, but it is one of the areas on which we left our guests thinking that progress could be made.

(k) Kelley, and subsequently Hennessey, were emphatic that what we needed to do was get American Chief Executive Officers to come to Belfast to see for themselves. They had already told us how much their perceptions had been changed as a result of a brief

visit. Perceptions of Northern Ireland were too much dominated by brief television clips. Kelly pointed out that the Israelis took people to Israel to see the facts for themselves.

Hennessey asserted that if invited, Chief Executive Officers would take up the invitation. But he offered the thought that we could also get Time magazine to sponsor trips, as they had done a little while ago with trips to the USSR - American business men had been individually reluctant to go behind the Iron Curtain, but had been much more willing to go as a group. A visit which embraced Northern Ireland and the Republic would sell a lot better. Dougherty pointed out that Hennessey would be joint Chairman of the 1989 CEOs' Conference, and Hennessey appeared to indicate that he would be willing to use that Office to encourage a mass visit to Belfast.

- (l) Hennessey thought we should not only target specific individuals known to be of Irish descent (Dr Mawhinney had earlier pointed out that this was now the generation of Irish CEOs), but that we should also target specific industries, irrespective of the actual parentage of the CEO, since most CEOs turned out to be Irish on St Patrick's day, and those companies that did not have Irish American CEOs often had Irish Americans at the next level down.
- (m) Hennessey did not think that our present PR in the United States was achieving very much - if we had been getting our message through in the United States, he would not have been so surprised at what he found.
- (n) Kelley said that if Americans are to invest in Northern Ireland, we are going to have to give United States industry a guarantee that unemployment imbalances our redressed: In reply Dr Mawhinney gave a quick preview of the Fair Employment Legislation, which Kelley said he found impressive. I suggest that if they are not already on our circulation lists in the United States, all 4 of our visitors should receive the material that VIS will be putting out in December on behalf of

DED: But we should consider whether personal letters would not make even greater impact.

- (o) All four visitors were clearly keen to see follow up of some sort. Cassidy had offered to provide briefing material for Dr Mawhinney on a number of topics for his next visit. Dougherty was anxious that the next visit should be soon, and in a private conversation after the others had left, he and Dr Mawhinney had agreed provisionally that we should plan for such a visit in January 1989. Since the principle, if not the exclusive, focus of this visit would be industrialists rather than the incoming administration, we thought that this might not create too many complications for the Embassy's in Washington but this is clearly a point which NIO(L) will have to follow up.

I have told Dr Mawhinney that you and I will be meeting on Monday, 21 November to review this visit, and to take things forward.



I M BURNS
22 November 1988

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