PRIME MINISTER

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cc: Mr. Gow Mr. Alexander

Eldon Griffiths rang to mention the impressions he had picked up during his recent visit to the West coast of the United States.

He said that Britain is currently getting a very bad press. The riots, coming on top of the hunger strike issue, have led some people "who should know better" to conclude that we have a sort of Italian situation. The American media's saturation coverage of the riots would, he was sure, have an effect both on sterling and on investment confidence.

Secondly, some of the United States media were using the current British situation as a stick with which to beat Mr. Reagan, implying that if he followed the monetarist path, this would lead to a revival of the big city race riots seen in the United States in recent years. Mr. Griffiths felt that you would need to take account of this background in dealing with President Reagan at Ottawa.

Thirdly, Mr. Griffiths had tried to put across to his audiences that the urban violence arose from a range of complicated factors and that it was not purely a result of socio-economic conditions. He had emphasised that you and the Home Secretary enjoyed the total confidence of the police, and he felt that this point had been taken. But he felt that our posts across the U.S. and elsewhere needed to emphasise this, and he saw some risk that the malaise would spread to the Middle East and Latin America.

On a different topic, Mr. Griffiths asked us to take into account one possibility for your next unannounced visit to Northern Ireland. On 6 November, the RUC plan to open their new office, and they will be giving their dinner for Ulster widows that evening. He had been asked to feed in the thought that these two events might possibly provide an occasion for you to visit.

- 2 -Mr. Griffiths said he intends to speak further about all these points to Ian Gow when he next sees him. MAP 14 July 1981