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cc Ireland: Meetings
With The Taoiseach
A8

Foreign and Commonwealth Office

London SW1A 2AH

28 March 1985

C.D.P.

Dear Charles,

Contributions from the United States to Irish Causes

Thank you for your letter of 22 March about the Prime Minister's conversation with Mayor Feinstein, during which she developed the idea that she and the Taoiseach should encourage the creation of a charitable fund to benefit worthwhile causes both in the Republic and in Northern Ireland.

The Foreign Secretary thinks that this could be an excellent scheme but has pointed out that it needs to be related to the idea of setting up a fund for economic reconstruction and development in Ireland which forms part of the secret proposals under discussion between the British and Irish Governments (see para 5 of the draft British Proposal attached to the Foreign Secretary's minute to the Prime Minister of 19 March). This was discussed in some detail by officials in the margins of the Ministerial meeting in Dublin on 22 March. It appeared that the Irish had already taken some preliminary soundings in Washington, where they had been reassured that President Reagan was interested in the proposed fund and was generally benevolent towards it. (We have received similar indications from officials in the State Department.) It was suggested that if such a fund were set up the possibility would be for it to be administered by a charitable foundation rather than by the two Governments. There was also some discussion in Dublin of the possibility of attracting contributions from the European Community; and it was noted that the subject of the Fund would be likely to be raised at the meeting between the Prime Minister and Dr FitzGerald in the margins of the coming European Council.

If the Prime Minister wishes to raise the subject with Dr FitzGerald, she may wish to make the following points:

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- (i) the idea of a fund for reconstruction is a good one;
- (ii) it is encouraging that the Americans appear to be looking favourably on it, but we must beware of raising hopes prematurely;
- (iii) the organisation of the fund and the modalities of running it would require great care;
- (iv) one possibility might be to establish a charitable foundation, independent of governments but with representatives of all the interested parties (i.e. Republic of Ireland, HMG, US Administration and perhaps EC) included on it;
- (v) officials will need to think very carefully about the terms of reference and scope of the fund.

Whether or not the subject comes up in the margins of the European Council, the Foreign Secretary thinks that it is important that we should avoid taking any action which would have the effect of pre-empting the proposal under discussion between the two Governments, since that proposal could prove to be an important element in any agreement which we might eventually reach in relation to Northern Ireland. To launch in isolation a fund of the kind envisaged by the Prime Minister would cut across the present negotiations and, for that reason, would be misunderstood by the Irish, whose support we should want to seek.

You mentioned in your letter that Mayor Feinstein reacted enthusiastically to the Prime Minister's idea and said that she might well make some public comment. So far she does not appear to have done so, but if she does we will no doubt be asked for a reaction. Subject to your views, we would propose simply to confirm that the subject was indeed discussed between the Prime Minister and the Mayor, and to say that the idea is under careful consideration.

I am copying this letter to Jim Daniell (NIO) and to Richard Hatfield (Cabinet Office).

*Yours ever,
Colin Budd*

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Private Secretary

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