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Prime Minister
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MR POWELL

OD(I): TUESDAY 4 MARCH: POSSIBLE EUROPEAN COMMUNITY AID TO
NORTHERN IRELAND

As background to the OD(I) meeting tomorrow, Mr Mallaby and I thought that the Prime Minister might wish to be aware of recent developments regarding the United States contribution to the International Fund.

2. The United States Administration have told us and the Government of the Republic of Ireland that they intend shortly to put a draft bill to Congress which will authorise the expenditure of \$250 million over five years in Northern Ireland and affected areas of the Republic of Ireland. Only \$100 million - \$20 million a year - would be a cash contribution. The balance would be in the form of loans and guarantees from existing United States programmes for a variety of purposes including help with housing, and with small and medium scale enterprises.

3. The size of the total package is much as we expected but its composition is complex and the proposed cash element smaller than we and the Irish would have wished. We and the Government of the Republic of Ireland are considering how far the package meets the needs on the ground, and we shall be discussing the details shortly with the United States Administration.

4. We understand that the proposals have leaked in Washington and are now public.

5. I am copying this minute to Mr Stark and Mr Mallaby.

D F Williamson

D F WILLIAMSON

3 March 1986

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