

Cable

PREC: IMMEDIATE
 CLASS: ~~CONFIDENTIAL~~
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 LINE4: FM AMEMBASSY DUBLIN
 OSRI: RUEHDL
 DTG: 220844Z JUN 98
 ORIG: AMEMBASSY DUBLIN
 TO: RUEHC/SECSTATE WASHDC IMMEDIATE 3612
 RUCPDOG/USDOC WASHDC
 INFO: RUEHLO/AMEMBASSY LONDON 0369
 RUEHLOB/AMCONSUL BELFAST 0681
 SUBJ: SECRETARY DALEY'S MEETING WITH IRISH PM AHERN:
 ECONOMIC ISSUES

DECLASSIFIED
 PER E.O. 13526

2015-0158-M (1.02)
 KBH 3/3/2023

TEXT:

~~CONFIDENTIAL~~ SECTION 01 OF 03 DUBLIN 003294

NSC FOR STEINBERG/BUTLER
 USDOC FOR CHIEF OF STAFF DAVID LANE

E.O. 12958: DECL: 06/12/08
 TAGS: ECON, EAGR, ETRD, EINV, ECIN, EUN, EI
 SUBJECT: SECRETARY DALEY'S MEETING WITH IRISH PM AHERN:
 ECONOMIC ISSUES

REFS: A) DUBLIN 3141 B) DUBLIN 3225

CLASSIFIED BY AMBASSADOR JEAN KENNEDY SMITH. REASONS 1.5 (B)
 AND (D).

SUMMARY

1. ~~(S)~~ IRISH TAOISEACH (PRIME MINISTER) BERTIE AHERN TOLD VISITING COMMERCE SECRETARY WILLIAM DALEY IN THEIR JUNE 11 MEETIN THAT THE SECRETARY'S TRADE MISSION TO IRELAND HD GIVEN A "GREAT PSYCHOLOGICAL BOOST" TO THEPEACE PROCESS, AS WELL AS DEMONSTRATED A CONTINING U.S. COMMITMENT. AHERN STRESSED THE IPORTANCE OF ATTRACTING BUSINESS TO THE REPUBLICS BORDER COUNTIES WHICH HAVE "MISSED OUT" ON HE BENEFITS OF IRELAND'S RECENT ECONOMIC SUCCES. HE PREDICTED THE PEACE PROCESS WOULD ALLOW "NATURAL" BUSINESS TIES BETWEEN THE NORTH AND THE REPUBLIC TO FLOURISH AGAIN. THE PRIME MINISTER PLEDGED ASSISTANCE IN FOLLOWING UP ON THE TRADE MISSION IN ANY WAY NEEDED. AHERN TOLD THE SECRETARY THAT THE FUNDAMENTALS OF THE IRISH ECONOMY REMAIN STRONG, THOUGH HE ACKNOWLEDGED PUBLIC CONCERN OVER RISING INFLATION. AHERN DOWNPLAYED THE INFLATION THREAT, HOWEVER, SAYING RECENT PRICE RISES ARE THE RESULT OF THE "TEMPORARY" STRENGTH OF THE BRITISH POUND AND OF HOUSING SHORTAGES IN DUBLIN AND CORK. WITH IRISH UNEMPLOYMENT STILL AT NINE PERCENT, AHERN SAID HE DID NOT AGREE THE IRISH ECONOMY COULD AFFORD TO "SLOW DOWN." AT THE PRIME MINISTER'S REQUEST, THE SECRETARY AGREED TO CLARIFY WITH THE U.S. FIRM "FRUIT OF THE LOOM" WHETHER THE FIRM PLANS TO PROCEED WITH A PROJECT IN DONEGAL WHICH HAS BENEFIXED FROM IRISH GOVERNMENT INVESTMENT

INCENTIVES.

2. (S) ON EU ISSUES, THE PRIME MINISTER SAID EU ENLARGEMENT WILL HAVE TO BE "CAREFULLY MANAGED" BUT IS GOOD IN THE LONG-TERM FOR IRELAND AND THE EU, DESPITE THE PHASING OUT OF EU ASSISTANCE TO IRELAND THAT ENLARGEMENT REQUIRES. AHERN ACKNOWLEDGED THAT THE AGENDA 2000 REFORMS WILL HURT IRISH FARMERS, AND MOST LIKELY ACCELERATE A CONTINUING DECLINE IN THE NUMBER OF INDIVIDUAL IRISH FARMERS. HE PREDICTED THAT THE SECOND ROUND OF EU ENLARGEMENT WOULD NOT TAKE PLACE BEFORE 2005, BUT THAT THE UK WILL JOIN THE EUROPEAN MONETARY UNION BY 2001.

END SUMMARY

3. (U) VISITING U.S. COMMERCE SECRETARY WILLIAM DALEY MET WITH IRISH PRIME MINISTER BERTIE AHERN, AT THE PRIME MINISTER'S OFFICE, ON JUNE 11, FOR A DISCUSSION OF NORTHERN IRELAND ISSUES, THE SECRETARY'S TRADE MISSION TO NORTHERN IRELAND AND THE REPUBLIC, AND THE GENERAL IRISH ECONOMIC SITUATION (NORTHERN IRELAND ISSUES REPORTED REFTEL A). ALSO ATTENDING WERE AMBASSADOR JEAN KENNEDY SMITH, THE SECRETARY'S CHIEF OF STAFF DAVID LANE, MAYOR TOM MENINO OF BOSTON, EMBASSY ECONOFF (NOTETAKER). REPRESENTATIVES OF THE MONSANTO CORPORATION AND FLUOR DANIEL CORPORATION, PARTICIPANTS IN THE SECRETARY'S TRADE DELEGATION, LATER JOINED THE MEETING. PRIME MINISTER AHERN'S POLITICAL ADVISOR MARTIN MANSERGH ALSO WAS PRESENT.

TRADE MISSION: A GREAT "BOOST" TO THE PEACE PROCESS

4. (SBU) PRIME MINISTER AHERN OPENED THE MEETING WITH THANKS TO THE SECRETARY FOR BRINGING SUCH AN "IMPRESSIVE" TRADE MISSION TO IRELAND. AHERN SAID THAT THE MISSION AND THE PROMISE IT CARRIED OF AN ECONOMIC PEACE DIVIDEND GAVE A "GREAT PSYCHOLOGICAL BOOST" TO THE PEACE PROCESS ON BOTH SIDES OF THE BORDER. THE MISSION WAS ALSO A STRONG SIGN TO THE IRISH THAT THE U.S. COMMITMENT, AND THAT OF PRESIDENT CLINTON PERSONALLY, TO THE PEACE PROCESS HAD NOT ENDED WITH THE SIGNING OF THE BELFAST AGREEMENT. THE PRIME MINISTER ASSURED THE SECRETARY THAT THE IRISH GOVERNMENT IS WILLING TO PROVIDE ANY ASSISTANCE NEEDED TO BUILD ON THE TIES AND BUSINESS INTEREST THE MISSION HAD GENERATED.

NEED TO FOCUS BUSINESS DEVELOPMENT IN THE BORDER REGIONS

5. (SBU) AHERN TOLD THE SECRETARY THAT HE WAS ESPECIALLY PLEASED THAT THE TRADE MISSION'S FOCUS WAS ON THE BORDER COUNTIES OF IRELAND. THIS REGION HAS SUFFERED FROM A LACK OF BUSINESS INVESTMENT FOR "SEVENTY-FIVE YEARS" AND STANDS THE MOST TO GAIN FROM THE END OF VIOLENCE ON THE ISLAND. SECRETARY DALEY REPLIED THAT THE AMERICAN FIRMS ON THE MISSION WERE VERY "POSITIVE," AFTER VISITING BOTH SIDES OF THE BORDER, ABOUT THE DURABILITY OF THE PEACE PROCESS AND THE BUSINESS OPPORTUNITIES IT OPENED UP IN THE BORDER COUNTIES AND ALL OVER THE ISLAND. SECRETARY DALEY TOLD THE PRIME MINISTER THAT, ALTHOUGH NO SPECIFIC INVESTMENT ANNOUNCEMENTS HAD YET BEEN MADE, SEVERAL FIRMS, LIKE GE AND
C O N F I D E N T I A L SECTION 02 OF 03 DUBLIN 003294

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E.O. 12958: DECL: 06/12/08

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TAGS: ECON, EAGR, ETRD, EINV, ECIN, EUN, EI
 SUBJECT: SECRETARY DALEY'S MEETING WITH IRISH PM AHERN:
 ECONOMIC ISSUES

PFIZER, WERE TALKING OF EXPANDING OPERATIONS IN THE BORDER REGION FOR ACCESS TO THE "NEW ALL-IRELAND" MARKET THE PEACE PROCESS IS CREATING.

AHERN: IRELAND INCREASINGLY A SINGLE ECONOMIC MARKET

6. (S) AHERN REPLIED THAT CHIEF AMONG THE ECONOMIC EFFECTS OF PARTITION, COMPOUNDED BY THE THIRTY YEARS OF THE "TROUBLES," HAD BEEN THE "UNNATURAL" INTERRUPTION OF NORMAL BUSINESS TIES AND PATTERNS ON THE ISLAND. HE CITED A RECENT STUDY THAT FOUND THE CURRENT VALUE OF TRADE BETWEEN BELFAST AND DUBLIN IS SIXTY-EIGHT PERCENT LOWER THAN WHAT WOULD BE THE VALUE IF THE ISLAND WERE A SINGLE MARKET. THERE IS ENORMOUS OPPORTUNITY FOR EXPANDING NORTH-SOUTH TRADE, AHERN COMMENTED, AND HE HAD WORKED HARD TO GET ECONOMIC DEVELOPMENT ON THE BELFAST AGREEMENT'S LIST OF AREAS FOR NORTH-SOUTH LEGISLATIVE COOPERATION, BUT DAVID TRIMBLE HAD BEEN TOO STRONGLY OPPOSED. BUT IT "ONLY MADE SENSE" TO HAVE ECONOMIC AND BUSINESS DECISIONS MADE ON AN ALL-IRELAND BASIS. AHERN PREDICTED THAT EVEN IF GOVERNMENTS ARE SLOW TO ACT ON THIS UNDERSTANDING, FOREIGN AND IRISH BUSINESS WILL INCREASINGLY VIEW THE ISLAND AS ONE MARKET AND "IGNORE THE BORDER."

STATUS OF "FRUIT OF THE LOOM" INVESTMENT

7. (SBU) AHERN ASKED THE SECRETARY IF HE HAD ANY INFORMATION HE COULD SHARE ON THE PLANS OF THE U.S. FIRM "FRUIT OF THE LOOM" TO MOVE FORWARD WITH AN INVESTMENT IN COUNTY DONEGAL. AHERN SAID THAT THE IRISH GOVERNMENT HAD "STOOD ON ITS HEAD" TO MEET THE COMPANY'S NEEDS, INCLUDING ALLOCATING THE ENTIRE WATER IMPROVEMENTS BUDGET FOR THE COUNTY TO THE PROJECT. NOW, AHERN SAID, HE UNDERSTOOD FRUIT OF THE LOOM WAS NOT GOING TO PROCEED, CHOOSING INSTEAD TO LOCATE IN EAST ASIA TO BENEFIT FROM FALLING WAGES THERE. AHERN SAID HE UNDERSTOOD "ECONOMIC REALITIES," BUT IF FRUIT OF THE LOOM DID MOVE TO EAST ASIA THERE WOULD BE "LOTS OF CRITICISM."

8. (SBU) IN REPLY, THE SECRETARY SAID THAT HE UNDERSTOOD FRUIT OF THE LOOM HAD MADE NO FINAL DECISION ON ITS IRISH INVESTMENT PLANS. SECRETARY DALEY OFFERED TO RAISE THE ISSUE WITH THE COMPANY'S MANAGEMENT TO GET A SENSE OF THEIR THINKING AND HOW THE COMPANY PLANNED TO "MANAGE" THE PROCESS. HE SAID HE UNDERSTOOD THE PRIME MINISTER'S CONCERN AND WILL SUGGEST THE COMPANY KEEP THE IRISH GOVERNMENT INFORMED OF ITS PLANS. THE SECRETARY ADDED THAT IT IS "TOUGH" TO HOLD ON TO BUSINESS IN THE APPAREL SECTOR PRECISELY BECAUSE OWNERS MOVE FREQUENTLY TO FIND THE LOWEST POSSIBLE WAGE LEVELS.

IRISH ECONOMY AND INFLATION: "WHAT, US WORRY?"

9. (SBU) TURNING TO THE IRISH ECONOMY IN GENERAL, AHERN TOLD THE SECRETARY THAT THE ECONOMIC "FUNDAMENTALS" REMAIN GOOD. FOREIGN INVESTMENT CONTINUES TO BE STRONG, ESPECIALLY IN HIGH-TECH SECTORS LIKE COMPUTER SOFTWARE AND PHARMACEUTICALS

. AS AN INDICATION OF IRELAND'S STRENGTH IN THESE SECTORS, AHERN TOLD SECRETARY DALEY THAT FIFTY-TWO PERCENT OF THE PERSONAL COMPUTERS NOW INSTALLED IN THE EU WERE ASSEMBLED IN IRELAND. IRELAND IS PICKING UP FOREIGN

INVESTMENT, AHERN NOTED, THAT WOULD OTHERWISE GO TO GERMANY AND FRANCE IN PREVIOUS DECADES, ADDING THAT THIS DID CAUSE "SOME FRICTION" WITH EU PARTNERS. AHERN SAID HE ESPECIALLY WELCOMED THE CONTINUING HIGH LEVEL OF U.S. INVESTMENT IN IRELAND. AHERN BELIEVES U.S. INVESTMENT WILL INCREASE AS A RESULT OF THE PEACE PROCESS AND THE EU DECISION TO ALLOW IRELAND TO MAINTAIN ITS LOWER CORPORATE TAX RATES. IRELAND'S CORPORATE TAXATION RATES, AHERN NOTED, PLAY A LARGE PART IN ATTRACTING U.S. INVESTMENT.

10. (S) REFERRING TO IRISH INFLATION FIGURES RELEASED JUST THAT MORNING (REFTEL B), AHERN ACKNOWLEDGED INFLATIONARY PRESSURE AS A POTENTIAL THREAT TO IRELAND'S CURRENT ECONOMIC BOOM. HE TOLD THE SECRETARY, HOWEVER, THAT INFLATIONARY PRESSURES ARE TO BE EXPECTED IN AN ECONOMY THAT HAS EXPANDED AS IRELAND'S HAS OVER THE LAST FIVE YEARS. AHERN SAID MUCH OF THE RECENT PRICE RISE WAS SPARKED BY THE "TEMPORARY" STRENGTH OF BRITISH STERLING WHICH HAD DRIVEN UP FOOD PRICES OVER THE LAST SEVERAL MONTHS. ANOTHER FACTOR IN THE RISE IN PRICES WAS HOUSING SHORTAGES IN DUBLIN AND CORK. THE PRIME MINISTER SAID THAT RECENT GOVERNMENT STEPS TO REDUCE TAX BENEFITS THAT ENCOURAGE HOUSING "SPECULATORS" SHOULD BEGIN TO HAVE AN IMPACT ON HOUSE PRICES SOON. IN THE END, AHERN SAID, HE FOUND IT "DIFFICULT" TO AGREE THAT AN ECONOMY WITH AN UNEMPLOYMENT RATE OF OVER NINE PERCENT NEEDS TO "SLOW DOWN."

EU ENLARGEMENT: BOON TO IRELAND, BUT NEEDS "CAREFUL
~~CONFIDENTIAL~~ SECTION 03 OF 03 DUBLIN 003294

NSC FOR STEINBERG/BUTLER
USDOC FOR CHIEF OF STAFF DAVID LANE

E.O. 12958: DECL: 06/12/08
TAGS: ECON, EAGR, ETRD, EINV, ECIN, EUN, EI
SUBJECT: SECRETARY DALEY'S MEETING WITH IRISH PM AHERN:
ECONOMIC ISSUES

MANAGEMENT"

11. (S) ON EU ISSUES, AHERN SAID THAT IRELAND WELCOMES EU ENLARGEMENT, BUT THE PROCESS NEEDS TO BE "CAREFULLY MANAGED." THE EU IS ON THE WAY TO "BECOMING A MAJOR TRADING BLOCK" AND THAT IS A SIGNIFICANT LONG-TERM BENEFIT TO IRELAND, WHATEVER THE SHORT-TERM COSTS ASSOCIATED WITH ENLARGEMENT. THE PRIME MINISTER SAID THAT THE REDUCTION OF EU ECONOMIC ASSISTANCE TO IRELAND WAS "INEVITABLE" AND COULD BE PHASED OUT WITHOUT DISRUPTION TO THE IRISH ECONOMY. HE DID ACKNOWLEDGE, HOWEVER, THAT THE AGENDA 2000 "CAP" REFORMS WOULD HURT IRISH FARMERS. AHERN SAID THAT THE REFORMS WERE NEEDED -- THE CURRENT SYSTEM "PAYS FARMERS TO LET FIELDS GO FALLOW" -- BUT THE LOSS OF EU AGRICULTURAL SUBSIDIES AFTER 2000 WILL MEAN A FURTHER DECLINE IN THE NUMBER OF IRISH FARMS. HE PREDICTED THE IRISH BEEF AND DAIRY SECTORS WOULD "RIDE OUT THE CHANGES" WELL, BUT OTHER AGRICULTURAL SECTORS FACE A "TOUGH TIME."

12. (S) IRELAND WELCOMES EMU, AHERN SAID. HE ADMITTED THAT THE DECISION OF THE UK -- STILL IRELAND'S LARGEST TRADING PARTNER -- TO REMAIN OUTSIDE EMU FOR NOW PRESENTS "PROBLEMS," BUT THE BENEFITS OF EMU OUTWEIGH THE DOWNSIDES. IN ANY CASE, AHERN NOTE,, IRISH TRADE WITH THE UK CONTINUES TO DECLINE AS A PERCENTAGE OF TOTAL IRISH TRADE, FALLING FROM SIXTY PERCENT THIRTY YEARS AGO TO THIRTY PERCENT LAST YEAR. AHERN SAID HE TALKED WITH UK PRIME MINISTER TONY BLAIR ABOUT PLANS FOR EVENTUAL UK ENTRY INTO THE EMU, AND

BLAIR HAD TOLD HIM HE PLANS TO STAND BY COMMITMENTS TO CONSIDER THE ISSUE AFTER THE NEXT BRITISH GENERAL ELECTION. AHERN PREDICTED THE UK WOULD BE IN THE EMU BY 2001.

BUSINESS REPRESENTATIVES WELCOME IRISH SUPPORT

13. (AU) AS THE MEETING CONCLUDED, THE SECRETARY AND PRIME MINISTER WERE JOINED BY REPRESENTATIVES OF MONSANTO AND FLUOR DANIEL CORPORATIONS, BOTH OF WHOM HAD TRAVELLED WITH THE SECRETARY'S TRADE MISSION. THE MONSANTO REPRESENTATIVE THANKED THE PRIME MINISTER FOR IRISH SUPPORT IN THE RECENT EU VOTE TO PERMIT MONSANTO'S GENETICALLY-MODIFIED CORN STRAINS TO BE SOLD IN THE EU. BOTH REPRESENTATIVES ECHOED THE PRIME MINISTER'S COMMENTS ABOUT THE POSSIBILITIES FOR EXPANDING "ALL-IRELAND" TRADE IN LIGHT OF THE SUCCESS OF THE PEACE PROCESS. ECHOING AHERN'S EARLIER COMMENTS, THE FLUOR DANIEL REPRESENTATIVE SAID HIS COMPANY INCREASINGLY VIEWS IRELAND AS A "SINGLE MARKET" RATHER THAN TWO SEPARATE MARKETS. BOTH BUSINESS REPRESENTATIVES COMPLIMENTED THE IRISH GOVERNMENT'S COMMITMENT TO WORKING WITH BUSINESS AND MEETING THE NEEDS OF FOREIGN BUSINESS, PARTICULARLY THE INDUSTRIAL DEVELOPMNT BOARD'S CREATIVE APPROACH TO WORKING WITH PTENTIAL INVESTORS.

14. SECRETARY DALEY'S ARTY DID NOT HAVE AN.OPPORTUNITY TO CLEAR THISCABLE BEFORE LEAVING IRELAND. SMITH

SECT: SECTION: 01 OF 03
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SSN: 3294
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TOR: 980622051758 M3344898
<^TOR>980622051402 M3344891
<^TOR>980622051813 M3344900

DIST:
SIT: BUTLER HAINES LEE
SIT: NSC

Cable

PREC: PRIORITY
 CLASS: ~~SECRET~~
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 LINE2: ZNY SSSSS ZZH
 LINE3: P 191558Z NOV 98
 LINE4: FM AMEMBASSY LONDON
 OSRI: RUEHLO
 DTG: 191558Z NOV 98
 ORIG: AMEMBASSY LONDON
 TO: RUEHC/SECSTATE WASHDC PRIORITY 1085
 RHEHNSC/NSC WASHDC PRIORITY
 INFO: RUEHDL/AMEMBASSY DUBLIN 0659
 RUEHLOB/AMCONSUL BELFAST 0756
 SUBJ: NORTHERN IRELAND: NIO CONCERNS OVER
 PEACE PROCESS IMPASSE.

DECLASSIFIED
 PER E.O. 13526
 2015-0158-M (1.18)
 KBH 3/3/2023

TEXT:
~~SECRET~~ LONDON 011415

~~NOFORN~~

NSC FOR STEINBERG AND BUTLER

E.O. 12958: DECL: 1.6X1
 TAGS: PREL, PGOV, UK, EI
 SUBJECT: NORTHERN IRELAND: NIO CONCERNS OVER
 PEACE PROCESS IMPASSE.

1. (U) CLASSIFIED BY: DCM ROBERT BRADTKE,
 EMBASSY LONDON. REASON: 1.5(C) AND (D).

2. (~~S/NOFORN~~) SUMMARY. THE CONTINUING IMPASSE OVER
 DECOMMISSIONING HAS RAISED CONCERNS AT THE NORTHERN IRELAND
 OFFICE ABOUT PROGRESS ON IMPLEMENTATION OF THE GOOD FRIDAY
 AGREEMENT. RECENT INTELLIGENCE REPORTS INDICATE DISTURBING
 ACTIVITIES BY "SOME ELEMENTS OF REPUBLICANISM." OTHER
 TROUBLESOME POINTS INCLUDE: SINN FEIN'S LINKING OF
 DECOMMISSIONING TO POLICE REFORM; A POTENTIALLY DIVISIVE
 CAMPAIGN NEXT SPRING FOR THE EUROPEAN PARLIAMENT; TRIMBLE'S
 LACK OF LEADERSHIP; AND PRISONER RELEASES. END SUMMARY.

3. ~~let~~ IN A NOVEMBER 18 CONVERSATION WITH DCM, NORTHERN
 IRELAND OFFICE PERMANENT UNDER SECRETARY PILLING EXPRESSED
 DEEP CONCERN OVER THE CONTINUING IMPASSE OVER DECOMMISSIONING
 AND ITS IMPACT ON THE NORTHERN IRELAND PEACE PROCESS. PILLING
 SAID THAT "OLD HANDS" IN THE NORTHERN IRELAND OFFICE WERE
 WORRIED THAT THE FAILURE TO MOVE AHEAD ON DECOMMISSIONING WAS
 JEOPARDIZING THE IMPLEMENTATION OF THE GOOD FRIDAY AGREEMENT
 AND CREATING THE RISK OF A RETURN TO VIOLENCE.

4. (~~S/NOFORN~~) PILLING NOTED THAT THERE HAD BEEN RECENT
 INTELLIGENCE REPORTS INDICATING THAT "SOME ELEMENTS OF
 REPUBLICANISM" WERE MAINTAINING THEIR READINESS TO USE
 VIOLENCE. NIO SECRETARY OF STATE MOWLAM DID NOT SEE A RETURN
 TO VIOLENCE IN THE NEAR FUTURE, BUT THE REPORTS HAD CAUSED
 CONCERN BOTH IN LONDON AND DUBLIN.

CLINTON LIBRARY PHOTOCOPY

5. (S) PILLING ALSO CITED THE FOLLOWING OTHER FACTORS AS CREATING UNEASE IN THE NIO:

-- LINKING DECOMMISSIONING TO POLICE REFORM.
THE STATEMENTS BY SINN FEIN LINKING DECOMMISSIONING TO POLICE REFORM RISKED CREATING ANOTHER OBSTACLE TO RAPID IMPLEMENTATION OF THE GOOD FRIDAY AGREEMENT. THE PATTEN REPORT ON POLICE REFORM WOULD NOT BE READY UNTIL JUNE, AND IT WAS HIGHLY UNLIKELY THAT THE REPORT WOULD SATISFY SINN FEIN.

-- ELECTIONS FOR THE EUROPEAN PARLIAMENT.
THERE WERE CONCERNS AT THE NIO THAT THE IMPASSE OVER DECOMMISSIONING COULD SPILL OVER INTO THE CAMPAIGN FOR THE ELECTION OF NORTHERN IRELAND'S THREE MEMBERS OF THE EUROPEAN PARLIAMENT IN MAY. WHILE IAN PAISLEY COULD BE EXPECTED TO WIN ONE OF THE SEATS, THERE WAS A RISK THAT THE CAMPAIGN WOULD TURN INTO ANOTHER REFERENDUM ON THE GOOD FRIDAY AGREEMENT. THE LONGER THE DECOMMISSIONING IMPASSE DRAGGED OUT THE MORE LIKELY IT WAS THAT THIS WOULD BE THE CASE.

-- FIRST MINISTER TRIMBLE'S LACK OF LEADERSHIP.
IN RECENT CONTACTS WITH NIO SECRETARY OF STATE MOWLAM, TRIMBLE HAD BEEN "SERENE," RATHER THAN SEIZED WITH A SENSE OF URGENCY. HE APPEARED INCORRECTLY TO HAVE CONCLUDED TIME WAS ON HIS SIDE. WITHOUT MORE ENGAGEMENT FROM TRIMBLE IT WOULD BE DIFFICULT TO MOVE THE PROCESS FORWARD.

-- CHRISTMAS LEAVE AND PRISONER RELEASES.
MOWLAM, ALTHOUGH A STRONG ADVOCATE OF PRISONER RELEASES, WAS CONCERNED ABOUT THE NEXT ROUND OF PRISONERS TO BE RELEASED IN MAY 2000. THIS GROUP OF PRISONERS WOULD INCLUDE THOSE WHO HAD SERVED ONLY A RELATIVELY BRIEF TIME, AND THE GOOD RECORD OF PRISONERS RELEASED IN THE PAST FOR NOT RETURNING TO VIOLENCE MIGHT NOT BE THE CASE AGAIN. OF MORE IMMEDIATE CONCERN, MOWLAM WAS WORRIED THAT SOME OF THESE PRISONERS, WHO WOULD BE TEMPORARILY ALLOWED OUT OF JAIL OVER THE CHRISTMAS HOLIDAYS, MIGHT NOT RETURN.

6. (S) PILLING SAID THAT THE NEXT STEP IN TRYING TO REINVIGORATE THE PEACE PROCESS WOULD BE THE PRIME MINISTER'S VISIT TO DUBLIN NEXT WEEK AND HIS MEETING WITH BERTIE AHERN. FOLLOWING THE BLAIR-AHERN MEETING, PILLING EXPECTED THAT TRANSATLANTIC COMMUNICATIONS ON HOW TO MOVE AHEAD WOULD "HEAT UP." THE BRITISH AND IRISH GOVERNMENTS WOULD WANT TO WORK CLOSELY WITH THE UNITED STATES TO DETERMINE THE BEST WAY TO USE THE PRESENCE IN WASHINGTON OF LEADING NORTHERN IRELAND POLITICIANS AT THE DECEMBER 8 NDI AWARDS CEREMONY TO ADVANCE THE PEACE PROCESS.

LADER

SECT: SECTION: 01 OF 01

SSN: 1415

TOR: 981119110414 M3565638

DIST:

SIT: BANDLER BUTLER DAVIDSON

SIT: NSC

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PREC: IMMEDIATE
 CLASS: ~~CONFIDENTIAL~~
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 ORIG: AMEMBASSY LONDON
 TO: RUEHC/SECSTATE WASHDC IMMEDIATE 1829
 INFO: RUEHDL/AMEMBASSY DUBLIN 0692
 RUEHLOB/AMCONSUL BELFAST 0794
 SUBJ: NORTHERN IRELAND: DEAL ON INSTITUTIONS A CLOSE CALL

**DECLASSIFIED
 PER E.O. 13526**
 2015-0158-m (1.22)
 KBH 3/3/2023

TEXT: ~~CONFIDENTIAL~~ SECTION 01 OF 03 LONDON 012268

NSC FOR BUTLER

E.O. 12958: DECL: 12/17/03
 TAGS: PREL, PGOV, UK, EI
 SUBJECT: NORTHERN IRELAND: DEAL ON INSTITUTIONS A CLOSE CALL
 REF: DUBLIN 6407

1. (U) CLASSIFIED BY: JUDITH R. JOHNSON, MINISTER-COUNSELOR FOR POLITICAL AFFAIRS. REASON: 1.5(B) AND (D)
2. ~~(S)~~ SUMMARY: INTENSE NEGOTIATIONS AT STORMONT ARE CONTINUING AS PARTIES EDGE CLOSER TO A DEAL TO ESTABLISH NORTHERN IRELAND DEPARTMENTS AND NORTH-SOUTH IMPLEMENTATION BODIES. THE MOOD AMONG MOST PARTICIPANTS REMAINS RELATIVELY UPBEAT, EVEN THOUGH THE TALKS ARE AT A SENSITIVE STAGE AND NO ONE IS CONFIDENTLY PREDICTING A BREAKTHROUGH BEFORE CHRISTMAS. AN OVERNIGHT LOYALIST BOMB ATTACK AND A POTENTIALLY DESTABILIZING ORANGE ORDER PROTEST IN DRUMCREE THIS WEEKEND ARE SIGNS THAT THE PEACE PROCESS IS BECOMING INCREASINGLY FRAGILE. END SUMMARY.
 MOOD IMPROVED, BUT AGREEMENT STILL ON KNIFE EDGE

3. (U) MEETINGS AT STORMONT THIS WEEK HAVE RAISED HOPES THAT A BREAKTHROUGH ON KEY DEPARTMENTS AND NORTH-SOUTH STRUCTURES COULD BE ACHIEVED BEFORE CHRISTMAS. THE MOOD AMONG PARTICIPANTS HAS OSCILLATED BETWEEN RELATIVELY OPTIMISTIC AND PESSIMISTIC AS TALKS TO RESOLVE DIFFERENCES BETWEEN THE UUP AND SDLP ON THE INSTITUTIONAL QUESTIONS CONTINUE. WITH NEITHER PARTY REJECTING OUT OF HAND THE DISCUSSION PAPER PUT FORWARD BY THE BRITISH GOVERNMENT ON DECEMBER 14, OBSERVERS INITIALLY WERE UPBEAT ABOUT THE POSSIBILITY OF AN AGREEMENT -- ESPECIALLY IN CONTRAST TO THE PERVASIVE PESSIMISM WHICH FOLLOWED ABORTION OF THE DEAL TWO WEEKS AGO. DEPUTY FIRST MINISTER SEAMUS MALLON HAS SAID THE POLITICIANS OWE IT TO THE POLITICAL PROCESS TO REACH AGREEMENT THIS WEEK AND VOWED TO DO ALL HE COULD TO ACHIEVE ONE. AS DIFFERENCES ON TECHNICAL ASPECTS OF THE NORTH-SOUTH BODIES CONTINUE TO CREATE

FRICCTIONS, HOWEVER, DOUBTS AGAIN ARE BEGINNING TO EMERGE. WHILE OUR INTERLOCUTORS REMAIN HOPEFUL, NO ONE IS CONFIDENTLY PREDICTING A PRE-CHRISTMAS AGREEMENT.

4. (S) THE PARTIES WERE HOPING TO REACH AN AGREEMENT THIS AFTERNOON, BEFORE MALLON ENTERS THE HOSPITAL FOR GALLSTONE SURGERY. NO AGREEMENT HAD EMERGED BY 4 PM, HOWEVER. IF THE DEAL BETWEEN THE TWO PARTIES DOES EMERGE TODAY OR IN THE NEXT COUPLE DAYS, THE FIRST AND DEPUTY FIRST MINISTERS WILL HAVE TO DECIDE WHETHER TO CALL A SPECIAL ASSEMBLY SESSION NEXT WEEK TO APPROVE THE AGREEMENT. THE NEXT REGULAR SESSION IS NOT SCHEDULED UNTIL MID-JANUARY. NIO MINISTER PAUL MURPHY, WHO THINKS A DEAL BEFORE CHRISTMAS IS "A VERY REAL POSSIBILITY," TOLD US FORMAL APPROVAL BY THE ASSEMBLY NEXT WEEK WOULD BE DESIRABLE. HOWEVER, THE IMPORTANT THING IS TO GET AN AGREEMENT BETWEEN THE SDLP AND UUP. "THAT'S THE REAL SHOW," HE SAID. MURPHY THOUGHT TRIMBLE WOULD HAVE TO DEAL CAREFULLY WITH RECALCITRANT MEMBERS, WHICH COULD PUSH UUP APPROVAL BACK WELL INTO NEXT WEEK. OTHER WAGS ARE REFERRING TO A "CHRISTMAS EVE AGREEMENT" AS A COMPLEMENT TO THE "GOOD FRIDAY AGREEMENT."

DIFFICULT NEGOTIATIONS ON IMPLEMENTATION BODIES

5. (S) THE NEGOTIATIONS APPEAR TO BE AT A DELICATE STAGE AND ANOTHER INTERVENTION BY THE TWO PRIME MINISTERS MAY BE REQUIRED TO PUT THE DEAL TOGETHER. INDEED, DAVID TRIMBLE TOLD BELFAST CONSUL GENERAL DECEMBER 15 THAT HE HAD HIS BOTTOM LINE AND "IT'S NOW IN THE HANDS OF THE PRIME MINISTERS." TRIMBLE MET WITH PM BLAIR IN LONDON ON DECEMBER 16 BUT, ACCORDING TO THE NIO, DID NOT MAKE ANY FUNDAMENTAL DECISIONS. EVEN ON THE EVE OF THE IRAQ STRIKES, BLAIR MADE A NUMBER OF PHONE CALLS TO SEVERAL OTHER NORTHERN IRELAND PARTY LEADERS. NIO INTERNATIONAL DEPARTMENT HEAD DAVID BROOKER TOLD US THERE ARE NO IMMEDIATE PLANS FOR MORE PRIME MINISTERIAL ACTION BUT NO. 10 HAS SAID HE IS "AVAILABLE" IF FURTHER ACTION IS REQUIRED.

6. (S) THE UUP AND SDLP CONTINUE TO DIFFER GREATLY ON THE SCOPE AND ROLE OF SOME OF THE IMPLEMENTATION BODIES. WHILE THERE ARE MANY LOOSE ENDS TO BE TIED UP, THE UUP APPEARS WILLING TO AGREE TO TEN NORTHERN IRELAND DEPARTMENTS -- BUT ONLY AFTER AGREEMENT IS REACHED ON THE N-S BODIES. NIO MINISTER PAUL MURPHY TOLD US THAT THE PROPOSED DEAL ENVISAGES CREATION OF SIX CROSS-BORDER IMPLEMENTATION BODIES. IT APPEARS AGREEMENT ON BODIES RELATED TO ECONOMIC DEVELOPMENT AND TRADE, FISHERIES AND AQUACULTURE, INLAND WATERWAYS AND FOOD SAFETY, BUT ISSUES REMAIN ABOUT EU PROGRAMS, IRISH LANGUAGE, TRANSPORTATION AND TOURISM.

7. (S) ONE OF THE KEY AREAS OF CONTROVERSY IS A UK PROPOSAL TO TURN THE TWO TOURIST BOARDS INTO A SINGLE CORPORATION. BY PRIVATIZING THE TOURISM FUNCTION RATHER THAN CREATING A TOURISM IMPLEMENTATION BODY, THIS PROPOSAL WOULD CREATE MORE HEADROOM TO INCLUDE ANOTHER BODY AMONG THE SIX TO WHICH UNIONISTS WILL ASSENT. THE SDLP AND IRISH GOVERNMENT HAVE NOT WELCOMED THIS PROPOSAL, ARGUING THAT IT RELEGATES ALL-ISLAND TOURISM TO THE SIDELINES. THE BRITISH GOVERNMENT COUNTERS THAT THIS MAKES A VIRTUE OF NECESSITY AND WILL ALLOW THE
~~C O N F I D E N T I A L~~ SECTION 02 OF 03 LONDON 012268

NSC FOR BUTLER

E.O. 12958: DECL: 12/17/03
TAGS: PREL, PGOV, UK, EI
SUBJECT: NORTHERN IRELAND: DEAL ON INSTITUTIONS A CLOSE CALL

REF: DUBLIN 6407

GOVERNMENTS TO POINT TO THE SUCCESS OF THE TOURISM INDUSTRY EVEN WITHOUT GOVERNMENTAL CONTROLS.

8. ~~set~~ IF ONLY SIX IMPLEMENTATION BODIES ARE CREATED, IT IS INEVITABLE SEVERAL AREAS FOR CROSS-BORDER COOPERATION WOULD BE LEFT OUT. IN THAT CASE, IT DEAL MAY CONTEMPLATE CREATING GROUPS TO STUDY THOSE AREAS AND REPORT BACK WITHIN A FIXED PERIOD OF TIME ON HOW AN IMPLEMENTATION BODY WOULD OPERATE. THIS IS A WAY OF OFFERING EXPANSION OF THE CROSS-BORDER INSTITUTIONS WHILE ALLOWING TRIMBLE TO KEEP HIS HARD-LINERS ON THE RESERVATION.

UNSTABLE DYNAMIC

9. ~~set~~ BOTH TRIMBLE AND MALLON ARE FACING DIFFICULTIES WITHIN THEIR PARTIES. THE SDLP INCREASINGLY IS IRRITATED BY UNIONIST DEMANDS ON THE CROSS-BORDER BODIES AND ARGUE NATIONALISTS ARE HAVING TO MAKE ALL THE CONCESSIONS. A MARYSFIELD IRISH GOVERNMENT OFFICIAL TOLD US NATIONALISTS FEEL THEY HAVE GONE AS FAR AS THEY ARE PREPARED TO GO. UNIONISTS SAY THE PROBLEM ARISES BECAUSE THE SDLP "OVERREACHED" IN TRYING TO CREATE BODIES WITH MORE AUTHORITY THAN CONTEMPLATED BY THE GOOD FRIDAY AGREEMENT. THERE CLEARLY IS A SOUR MOOD INSIDE THE UUP, WITH EVEN MANY PRO-AGREEMENT ASSEMBLY MEMBERS TAKING A HARD LINE ON THE NEGOTIATION. ON THE OTHER HAND, THE RECENT UPHEAVAL WITHIN THE UKUP -- WITH THE WALKOUT OF THE PARTY'S FOUR MEMBERS ESSENTIALLY LEAVING LEADER BOB MCCARTNEY "A ONE-MAN BAND" -- HAS HUMILIATED MCCARTNEY AND GIVEN TRIMBLE A LITTLE BREATHING ROOM.

10. ~~set~~ ONE UNIONIST ASSEMBLY MEMBER ASSURED US THE UUP UNDERSTANDS WELL THE NEED FOR A DEAL BEFORE CHRISTMAS TO AVOID A POLITICAL VACUUM WHICH WOULD PLAY INTO THE HANDS OF ANTI-AGREEMENT EXTREMISTS. AT THE SAME TIME, HE SAID, "UNLIKE YOU LOT (AMERICANS), WHO DON'T CARE WHAT THE BASIS OF THE DEAL IS, WE WILL HAVE TO LIVE WITH THE ARRANGEMENTS WHICH ARE AGREED." THEREFORE, THE UUP BACKBENCHERS WILL INSIST ON SCRUTINIZING EVERY WORD OF ANY AGREEMENT TO ENSURE IT DOES NOT "OPEN A BACK DOOR" TO A UNITED IRELAND. LIKewise, THE IRISH OFFICIAL TO WHOM WE SPOKE SAID THE SPECIFIC TERMS OF THE AGREEMENT ARE OF GREAT CONCERN BOTH TO THE SDLP AND TO DUBLIN BECAUSE THEY REALIZE THIS WILL SET THE OUTSIDE LIMIT. NATIONALISTS BELIEVE THAT WHATEVER UNIONISTS DO AFTER THE AGREEMENT WILL BE AIMED ONLY AT DIMINISHING THE SCOPE OF THE CROSS-BORDER BODIES.

11. ~~set~~ THE LONGER THE IMPASSE GOES ON THE MORE UNSTABLE THE POLITICAL PROCESS BECOMES. A DECEMBER 16 BOMB ATTACK IN A PUB IN CRUMLIN, NOT FAR FROM BELFAST INTERNATIONAL AIRPORT, CARRIED OUT BY THE "ORANGE VOLUNTEERS," A NEW DISSIDENT LOYALIST GROUP, DEMONSTRATES THE POTENTIAL FOR ESCALATING VIOLENCE. THE GROUP CLAIMED IT WAS TRYING TO ASSASSINATE A SENIOR IRA COMMANDER. REPUBLICANS REMAIN EXTREMELY DISSATISFIED WITH THE NEGOTIATIONS AND BLAME UNIONISTS FOR CREATING AN IMPASSE. IN A RECENT CONVERSATION WITH BELFAST CONSUL GENERAL, SINN FEIN CHAIRMAN MITCHEL MCLAUGHLIN REFERRED TO "UNIONIST STALLING" AND ACCUSED TRIMBLE OF DELIBERATELY TRYING TO UNDERMINE THE AGREEMENT. THERE ARE PRESS REPORTS OF IRA ACTIVITY -- TRAINING, MOVEMENT OF MATERIEL -- TAKING PLACE IN THE BORDER COUNTIES OF THE REPUBLIC.

12. ~~set~~ AN EVEN GREATER IMMEDIATE WORRY IS THE ORANGE ORDER

PROTEST IN PORTADOWN PLANNED FOR SATURDAY, DECEMBER 19. UP TO 10,000 ORANGEMEN FROM ACROSS NORTHERN IRELAND ARE EXPECTED TO GATHER ON THE HILL NEAR DRUMCREE CHURCH TO EXPRESS THEIR OUTRAGE THAT THEY HAVE NOT BEEN PERMITTED TO MARCH DOWN THE GARVAGHY ROAD THIS YEAR. THE PARADES COMMISSION ONCE AGAIN HAS TURNED DOWN THEIR REQUEST TO WALK THE ROAD. DEPUTY GRAND MASTER DENNIS WATSON, A MODERATE, TOLD US DECEMBER 11 THAT HE IS CONCERNED THE PROTEST WILL BE CO-OPTED BY HARD-LINERS INTENT ON CREATING A CIVIL DISTURBANCE. WATSON IS DEEPLY DISTURBED BY THE HARD-LINERS' GAINS IN INFLUENCE WITHIN THE ORDER ACHIEVED IN THE ORGANIZATION'S ELECTIONS EARLIER THIS MONTH. IN THE MEANTIME, PROXIMITY TALKS BETWEEN THE ORANGE ORDER AND GARVAGHY ROAD RESIDENTS HAVE BEEN RECONVENED UNDER THE CHAIRMANSHIP OF THE PM'S CHIEF OF STAFF, JONATHAN POWELL. POLICE AND ARMY UNITS HAVE BEEN PUT ON ALERT.

COMMENT

13. ~~(S)~~ TIME IS OF THE ESSENCE FOR REACHING AN AGREEMENT. AS SEAMUS MALLON OBSERVED, FAILURE TO ACHIEVE A DEAL BEFORE CHRISTMAS "WOULD HAVE A VERY DEPRESSING POLITICAL EFFECT ON THE ENTIRE POLITICAL PROCESS AND ON THE ATTITUDES OF PEOPLE WHO ARE WATCHING THIS VERY CLOSELY." A SERIOUS DISTURBANCE AT DRUMCREE COULD BE USED AS AN EXCUSE BY PARAMILITARIES ON EITHER SIDE TO RESORT TO DESTABILIZING VIOLENCE. AND EVEN A RELATIVELY MILD STAND-OFF BETWEEN THE RUC AND ORANGEMEN WOULD HARDEN ANTI-AGREEMENT SENTIMENT ON THE UNIONIST SIDE AND MAKE
~~C O N F I D E N T I A L~~ SECTION 03 OF 03 LONDON 012268

NSC FOR BUTLER

E.O. 12958: DECL: 12/17/03
TAGS: PREL, PGOV, UK, EI
SUBJECT: NORTHERN IRELAND: DEAL ON INSTITUTIONS A CLOSE CALL

REF: DUBLIN 6407

IT THAT MUCH MORE DIFFICULT TO DO A DEAL.

BRADTKE

SECT: SECTION: 01 OF 03
<^SECT>SECTION: 02 OF 03
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 RUEHXQ/ALL EUROPEAN UNION POST COLLECTIVE
 SUBJ: IRISH FOREIGN MINISTER SUES OVER CORRUPTION
 ALLEGATIONS

DECLASSIFIED
 PER E.O. 13526
 2015-0158-M (1.36)
 KBH 3/3/2023

TEXT: ~~CONFIDENTIAL~~ SECTION 01 OF 02 DUBLIN 004151

C O R R E C T E D C O P Y (TEXT)

E.O. 12958: DECL: 8/11/17
 TAGS: PGOV, PREL, PINR, EI
 SUBJECT: IRISH FOREIGN MINISTER SUES OVER CORRUPTION
 ALLEGATIONS

REF: DUBLIN 3507

1. (U) CLASSIFIED BY CHARGE LAWRENCE E. BUTLER. REASON:
 1.5(B) AND (D).

2. ~~(S)~~ SUMMARY. IRISH FOREIGN MINISTER RAY BURKE, PURSUED BY
 MEDIA REPORTS ABOUT HIS ACCEPTANCE OF AN IRP30,000 GIFT FROM
 A PROPERTY DEVELOPER IN 1989, HAS SUED ONE NEWSPAPER FOR ITS
 CHARGES. HIS SUIT, UNDER IRISH LAW, WILL EFFECTIVELY PREVENT
 ANY FURTHER COVERAGE OF THE STORY UNTIL IT COMES TO TRIAL AND
 MAY ALSO PREVENT THE ISSUE BEING COVERED IN A PLANNED SPECIAL
 TRIBUNAL TO REVIEW PAYMENTS TO POLITICIANS GENERALLY. END
 SUMMARY.

THE STORY THUS FAR

3. ~~(S)~~ RAY BURKE, IRELAND'S BLUFF AND POLITICALLY AGGRESSIVE
 FOREIGN MINISTER (NICKNAMED "RAMBO"), HAS BEEN ON THE
 DEFENSIVE SINCE STORIES FIRST SURFACED (REFTEL) IN JULY THAT
 HE HAD ACCEPTED IRP 30,000 FROM A PROPERTY DEVELOPER DURING
 THE 1989 ELECTION. BURKE HAS ADMITTED TAKING THE MONEY,
 WHICH HE DESCRIBES AS A NORMAL POLITICAL CONTRIBUTION FROM A
 LONG-TERM FIANNA FAIL SUPPORTER. HE DENIES HAVING BEEN ASKED
 FOR OR HAVING GIVEN ANY SPECIAL FAVORS IN RETURN FOR THE
 FUNDS. ACCORDING TO BURKE, HE SENT IRP10,000 TO CENTRAL
 PARTY COFFERS AND SPENT THE BALANCE ON HIS RE-ELECTION
 CAMPAIGN.

4. (U) THE PRESENT CHARGES HAVE ALSO ALLOWED THE MEDIA TO
 BRING UP OLD INSTANCES OF BURKE'S RELATIONSHIP WITH PROPERTY
 DEVELOPERS, INCLUDING ONE CASE IN 1979 WHERE THE IRISH POLICE

ACTUALLY OPENED AN INVESTIGATION INTO BURKE'S DUAL ROLE IN RE-ZONING CASES AS BOTH A LOCAL COUNCILOR AND REPRESENTATIVE OF DEVELOPMENT COMPANIES. #WHILE NO CHARGES WERE FILED, RUMORS OF IMPROPER RELATIONSHIPS CONTINUED TO SWIRL ABOUT BURKE.

5. (U) ON THURSDAY AUGUST 7, BURKE ISSUED HIS FIRST PUBLIC STATEMENT ABOUT THE CASE, CLAIMING THAT THERE WAS A "CAMPAIGN OF INNUENDO AND RUMOR" AGAINST HIM. HE STATED THAT HE HAD "NEVER DONE ANY FAVOURS FOR OR MADE ANY REPRESENTATIONS TO ANYONE ON BEHALF OF JOSEPH MURPHY STRUCTURAL ENGINEERS, ... EITHER BEFORE OR SINCE 1989." HOWEVER, POLITICIANS FROM OTHER PARTIES WERE QUICK TO NOTE THAT THE STATEMENT LEFT SEVERAL QUESTIONS UNANSWERED, NOTABLY WITH REGARD TO HIS HANDLING OF THE TAX LIABILITY ON WHAT WAS PROVIDED AS A PERSONAL GIFT TO HIM, RATHER THAN TO THE PARTY. COMMENTATORS HAVE ALSO NOTED THAT, IN AN IRISH ELECTION (WHERE PAID TELEVISION OR OTHER MEDIA ADVERTISING IS BANNED) IN 1989, IRP30,000 WAS AN UNUSUALLY LARGE CONTRIBUTION. BURKE THEN ON AUGUST 9 REPORTEDLY PERSONALLY PHONED THE SUNDAY INDEPENDENT, IRELAND'S LARGEST CIRCULATION NEWSPAPER, TO SAY THAT HE PLANNED TO SUE THE SUNDAY BUSINESS POST OVER A STORY DUE TO BE PUBLISHED IN ITS AUGUST 10 EDITION.

6. (U) MEDIA REPORTS ON AUGUST 11 SUGGEST THAT THE POLICE HAVE DISCUSSED THE POSSIBILITY OF A LIMITED GRANT OF IMMUNITY WITH JAMES GOGARTY, THE REPRESENTATIVE OF JOSEPH MURPHY STRUCTURAL ENGINEERS WHO HANDED THE MONEY TO BURKE IN BURKE'S HOME, IN RETURN FOR A SIGNED STATEMENT ON WHICH THEY COULD THEN BASE AN INVESTIGATION.

GAG ORDER

7. (C) WHILE LEGAL ACTION BY BURKE WILL NOT PREVENT A POLICE INVESTIGATION, IT WILL, UNDER IRISH LAW, STOP ANY FURTHER PRESS COVERAGE OF THE CASE UNTIL THE CASE COMES TO TRIAL, WHICH WOULD BE MANY MONTHS IN THE FUTURE. FURTHERMORE, THE SUIT COULD PREVENT THE CHARGES AGAINST BURKE FROM BEING OPENED BEFORE A SPECIAL TRIBUNAL PLANNED TO INVESTIGATE ILLEGAL OR IMPROPER PAYMENTS TO POLITICIANS GENERALLY. (THAT TRIBUNAL IS A RESULT OF INVESTIGATIONS INTO FORMER FIANNA FAIL PRIME MINISTER CHARLES HAUGHEY'S RECEIPT OF PAYMENTS FROM A LEADING IRISH RETAILER.)

8. (C) GIVEN THAT JUST A WEEK AGO AN IRISH PAPER WAS FORCED TO PAY RECORD DAMAGES IN A LIBEL CASE BROUGHT BY A FORMER MINISTER, THE IRISH MEDIA CAN BE EXPECTED NOT TO CHALLENGE THE LEGAL RESTRICTIONS ON WRITING ABOUT AN ACTIVE LEGAL CASE. BURKE WOULD CERTAINLY WELCOME THE PUBLIC BREATHING SPACE THAT THIS WILL GIVE HIM AND HIS PARTY WILL APPRECIATE THE DIVERSION FROM WHAT WOULD OTHERWISE HAVE BEEN A SUMMER MEDIA SEASON FOCUSING ON CORRUPTION IN FIANNA FAIL.

COMMENT

9. (C) THE BURKE CASE MAY, IN THE END, SAY LITTLE NEW ABOUT IRISH OR FIANNA FAIL POLITICS. HOWEVER, IT COMES AT A BAD TIME FOR A MINORITY COALITION GOVERNMENT -- WHOSE JUNIOR CONFIDENTIAL SECTION 02 OF 02 DUBLIN 004151

E.O. 12958: DECL: 8/11/17

TAGS: PGOV, PREL, PINR, EI
SUBJECT: IRISH FOREIGN MINISTER SUES OVER CORRUPTION
ALLEGATIONS

PARTNER SPLIT FROM FIANNA FAIL IN PART BECAUSE OF THE PARTY'S ETHICAL RECORD. MOREOVER, THE DISTRACTION WHICH FIGHTING THE CHARGES WILL CAUSE THE FOREIGN MINISTER AT A VERY SENSITIVE PERIOD IN THE NORTHERN IRELAND PEACE PROCESS IS UNWELCOME. FINALLY, SHOULD BURKE BE FORCED OUT OF THE DAIL, THE BY-ELECTION COULD ENDANGER THE COALITION.

10. ~~let~~ THE IRISH PRESS HAS LONG CHAFED UNDER RESTRICTIONS ON REPORTING ONGOING CASES THAT ARE FAR STRICTER THAN THOSE IN THE U.S., UK, OR ELSEWHERE IN EUROPE. THERE IS SOME INDICATION THAT THE PUBLIC, TOO, RESENTS THE RESTRICTIONS. A RECENT POLL SHOWED A SLIGHT MAJORITY IN FAVOR OF A MORE LIBERAL REGIME. IF BURKE'S SUIT IS SEEN AS A MANEUVER DESIGNED TO TAKE ADVANTAGE OF THE LAW, IT COULD FURTHER STRENGTHEN THE HAND OF THOSE WHO WANT CHANGES TO THE SYSTEM.
BUTLER

SECT: SECTION: 01 OF 02
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 TO: AMEMBASSY DUBLIN 2096
 INFO: ////
 SUBJ: (U) KUDOS FOR BIOGRAPHIC REPORTING

DECLASSIFIED
 PER E.O. 13526

2015-0158-M(1.38)
 KBH 3/3/2023

TEXT:

~~CONFIDENTIAL~~ STATE 171073

~~NOFORN~~

E.O. 12958: DECL: (1.6X1)
 TAGS: PINR, EL
 SUBJECT: (U) KUDOS FOR BIOGRAPHIC REPORTING

REF: A) DUBLIN 03218, B) DUBLIN 03371,
 C) DUBLIN 03219, D) DUBLIN 0343-, E) DUBLIN 03220

1. (U) CLASSIFIED BY JON M. GIBNEY, DEPUTY DIRECTOR,
 INR/IL. REASON: 1.5(C).

2. ~~(C/NF)~~ DEPARTMENT (INR/B) COMMENDS POST'S BIOGRAPHIC REPORTING OVER THE PAST YEAR, PARTICULARLY THAT WHICH DEALT WITH KEY PLAYERS IN THE NORTHERN IRELAND PEACE PROCESS AND THE MAKEUP OF THE NEW IRISH GOVERNMENT. INR/B FOUND REFS A-E EXTREMELY HELPFUL IN INTRODUCING WASHINGTON POLICYMAKERS TO THEIR NEW IRISH COUNTERPARTS. POST'S ASSESSMENT OF PM BERTIE AHERN'S BACKGROUND, LEADERSHIP STYLE, AND APPROACH TO KEY ISSUES WAS PARTICULARLY USEFUL AND INTRIGUING (REF A).

3. ~~(C/NF)~~ INRIB LOOKS FORWARD TO ADDITIONAL REPORTING ON IRELAND'S POLITICAL AND ECONOMIC LEADERS IN THE MONTHS AHEAD. A SEPTEMBER 1996 NSC REQUEST FOR PROFILES OF THEN PRESS SECRETARY SHANE KENNY AND OTHER LESSER-KNOWN IRISH OFFICIALS ATTESTS TO THE FACT THAT NO BIOGRAPHIC REPORTING IS UNIMPORTANT OR GOES UNUSED. FOR NOW, INRIB WOULD ASK THAT POST CONTINUE TO KEEP AN EYE ON PM AHERN'S PERFORMANCE AND ON HIS CABINET. INFORMATION, FOR EXAMPLE, ON THE WORKING RELATIONSHIP BETWEEN FOREIGN MINISTER BURKE AND DEFENSE MINISTER ANDREWS AND HOW THEY CONTRIBUTE TO THE PFP DEBATE, EU RELATIONS, AND THE PEACE PROCESS WOULD BE PARTICULARLY USEFUL. INR/B ALSO LOOKS FORWARD TO ALL OTHER REPORTING ON THE PEACE PROCESS, AS WELL AS ASSESSMENTS OF THE PENDING PRESIDENTIAL CONTEST.
 TALBOTT

SECT: SECTION: 01 OF 01
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 INFO: RUEHZL/EUROPEAN POLITICAL COLLECTIVE
 SUBJ: FOREIGN SECRETARY COOK EXPOUNDS ON "THE THIRD WAY"
 AND POSITIVE U.S.-UK RELATIONS TO MARK LABOUR'S FIRST YEAR

DECLASSIFIED
 PER E.O. 13526
 2015-0158-M (1.51)
 KBH 3/3/2023

TEXT: ~~CONFIDENTIAL~~ SECTION 01 OF 02 LONDON 004439

E.O. 12958: DECL: 04/28/08
 TAGS: PREL, PGOV, US, UK
 SUBJECT: FOREIGN SECRETARY COOK EXPOUNDS ON "THE THIRD WAY"
 AND POSITIVE U.S.-UK RELATIONS TO MARK LABOUR'S FIRST YEAR

1. (U) CLASSIFIED BY: JUDITH R. JOHNSON, POLITICAL MINISTER
 COUNSELOR, AMEMBASSY LONDON. REASON: 1.5(B) AND (D).
2. (U) SUMMARY: TONY BLAIR'S LABOUR GOVERNMENT IS PROUD OF ITS
 "RADICAL" ACHIEVEMENTS AFTER ONE YEAR IN OFFICE, FOREIGN
 SECRETARY ROBIN COOK PROCLAIMED IN A LECTURE ON APRIL 22.
 LOOKING AHEAD, COOK STRESSED THE NEED FOR THE GOVERNMENT TO
 KEEP UP WITH SOCIETAL CHANGES; BLAIR'S "THIRD WAY" POSITS THAT
 GOOD GOVERNMENT WORKS IN PARTNERSHIP WITH SOCIETY. COOK WAS
 PROUD OF HAVING STRENGTHENED THE UK'S ALLIANCE WITH THE U.S.,
 WHICH HE SAID WAS USED TO ADVANTAGE IN MOVING THE NORTHERN
 IRELAND PEACE PROCESS FORWARD. COOK'S SPEECH, GIVEN AT A
 THATCHERITE THINK TANK, EXEMPLIFIED LABOUR'S SUCCESSFUL
 STRATEGY OF RETAINING THE LEFT WHILE ENCROACHING ON THE CENTER
 RIGHT. END SUMMARY
3. (U) FOREIGN SUJRETARY ROBO COOK TOOK STOCK OF THE LABOUR
 GOVERNMENT'S ACHIEVEMENTS AND LOOKED AHEAD IN A LECTURE
 ENTITLED "BEYOND LABOUR'S FIRST YEAR" TO THE SOCIAL MARKET
 FOUNDATION, A RIGHT WING THINK TANK ASSOCIATED WITH THE
 THATCHER WING OF THE CONSERVATIVE PARTY, ON APRIL 22. COOK
 STRESSED THAT THE GOVERNMENT WAS ONLY ONE YEAR INTO AN
 AMBITIOUS PROGRAM FOR THE LONG TERM. PROGRESSIVE POLITICIANS
 MUST LOOK TO THE FUTURE AND BLAIR HAS FORMULATED THE "THIRD
 WAY" AS LABOUR'S GUIDE TO THE FUTURE.
4. (U) THE "THIRD WAY" HOLDS THAT PROGRESS IS NOT TOTALLY
 RELIANT ON GOVERNMENT, ACCORDING TO COOK; GOVERNMENT SECURES
 MAXIMUM PROGRESS BY EMPOWERING INDIVIDUALS AND OTHER AGENTS OF
 CHANGE. THERE IS NO MORE ARGUMENT ABOUT "BIG GOVERNMENT"
 VERSUS "SMALL GOVERNMENT," JUST AN ARGUMENT ABOUT HOW "GOOD
 GOVERNMENT" WORKS IN PARTNERSHIP WITH SOCIETY.
5. (U) COOK WAS PLEASED THAT THERE IS ALSO A MESSAGE FOR
 FOREIGN POLICY IN THE THIRD WAY. HE TICKED OFF THE

GOVERNMENT'S FOREIGN POLICY ACHIEVEMENTS: NEW RESPECT FOR THE UK AMONG ITS EUROPEAN PARTNERS; A MORE ACTIVE HUMAN RIGHTS POLICY IN PLACES SUCH AS BOSNIA, THE GULF, AND KOSOVO; AND A STRENGTHENING OF THE ALLIANCE WITH THE UNITED STATES.

6. (S) AFTER HIS SPEECH COOK RESPONDED TO QUESTIONS UNDER "CHATHAM HOUSE RULES" (TOTALLY OFF THE RECORD; PLEASE PROTECT). IN RESPONSE TO A QUERY ABOUT THE LESSONS LEARNED IN THE NORTHERN IRELAND PEACE PROCESS, COOK SAID THAT THE GOVERNMENT HAD RELIED HEAVILY ON ITS GOOD RELATIONS WITH WASHINGTON TO MOVE THE TALKS FORWARD, AND THAT THE AGREEMENT COULD NOT HAVE BEEN IMPOSED--THE CONFLICTED PARTIES HAD TO BE COAXED TO ACCEPT THE RESPONSIBILITY TO MAKE PEACE.

7. (S) A GERMAN DIPLOMAT ASKED WHETHER THE THIRD WAY WAS MOVING TOWARD A "U.S. MODEL" OR A "EUROPEAN MODEL" AND WHETHER THIS WOULD CAUSE PROBLEMS. COOK REPLIED THAT THIS QUESTION IMPLIED A "TRAP" OR "MANICHEAN DICHOTOMY" WHICH DOES NOT EXIST. THE THIRD WAY IS NOT ABOUT AN AMERICAN OR A EUROPEAN PERSPECTIVE, BUT ABOUT MODERNIZATION. COOK MENTIONED THAT 11 OF 15 EU MEMBER STATES HAVE LEFT WING PARTIES IN POWER OR IN COALITION, AND ALL OF THESE PARTIES HAVE BEEN THINKING IN TERMS OF POLICY INNOVATION.

8. (S) IN A QUESTION ABOUT REFORMING EU DECISIONMAKING TO MAKE IT MORE ACCOUNTABLE AND OPEN, COOK SAID THAT THE UK HAS USED ITS EU PRESIDENCY TO MAKE MORE EU DOCUMENTS AVAILABLE AND TO OPEN UP MORE EU MEETINGS. COOK STRESSED THAT THE GOVERNMENT WAS ATTEMPTING TO RESTORE POPULAR SUPPORT FOR THE EU; TO CONVINCED PEOPLE THAT THE EU REALLY DID DEAL WITH PROBLEMS OF CONCERN TO PEOPLE, SUCH AS CRIME ("CRIMINALS ARE COOPERATING ACROSS BORDERS FASTER THAN POLITICIANS").

9. (S) COOK ALSO MADE THE POINT AT THE END OF THE QUESTION PERIOD THAT THE GOVERNMENT DID NOT WANT TO PUSH LEGISLATION THROUGH WITH THE DICTATORSHIP OF THE PARLIAMENTARY MAJORITY, BUT WANTED TO BUILD AS WIDE A BASE AS POSSIBLE FOR THE THIRD WAY. HENCE THE LIBERAL DEMOCRATS WERE BROUGHT INTO THE DIALOGUE ABOUT CONSTITUTIONAL REFORM ISSUES.

10. (S) COMMENT: COOK'S CONSTANT POSITIVE REFERENCES TO THE U.S. ARE PARTICULARLY GRATIFYING GIVEN HIS PRE-MAY 1997 REPUTATION AS LESS THAN SUPPORTIVE OF U.S. POSITIONS, AND REFLECT THE EXCELLENT WORKING RELATIONSHIP HE HAS FORGED WITH SECRETARY OF STATE ALBRIGHT AND OTHERS IN THE US. GOVERNMENT.

11. (S) COMMENT CONTINUED: GIVING THE INAUGURAL SPEECH OF THIS SERIES BY LABOUR MINISTERS MARKING THE FIRST YEAR OF THEIR GOVERNMENT TO "THE ENEMY CAMP"--THE THATCHERITE SOCIAL MARKET FOUNDATION--IS INDICATIVE OF HOW THE LABOUR GOVERNMENT HAS TRIED TO REACH OUT TO THE RIGHT. RETAINING THE ALLEGIANCE OF THE LEFT WHILE ENCROACHING MORE AND MORE ON THE CENTER RIGHT HAS BEEN THE VERY SUCCESSFUL STRATEGY OF LABOUR SO FAR AND COOK'S SPEECH FIT NEATLY INTO THAT MOLD. NEVERTHELESS, THE GOVERNMENT'S SECOND YEAR IS LIKELY TO BE MORE TESTING OF ITS POPULARITY AS ELECTION MANIFESTO COMMITMENTS WILL HAVE TO BE MET AND RESULTS WILL BE EXPECTED. END COMMENT.

~~C O N F I D E N T I A L~~ SECTION 02 OF 02 LONDON 004439

E.O. 12958: DECL: 04/28/08h

TAGS: PREL, PGOV, US, UK

SUBJECT: FOREIGN SECRETARY COOK EXPOUNDS ON "THE THIRD WAY"
AND POSITIVE U.S.-UK RELATIONS TO MARK LABOUR'S FIRST YEAR

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 ORIG: AMEMBASSY MONTEVIDEO
 TO: RUEHC/SECSTATE WASHDC IMMEDIATE 1800
 INFO: RUEHBR/AMEMBASSY BRASILIA 0124
 RUEHBU/AMEMBASSY BUENOS AIRES 0646
 RUEHDL/AMEMBASSY DUBLIN 0001
 RUEHLO/AMEMBASSY LONDON 0003
 RUEHMD/AMEMBASSY MADRID 0786
 SUBJ: ALLEGED MEETING BETWEEN IRA AND ETA
 REPRESENTATIVES IN URUGUAY

DECLASSIFIED
 PER E.O. 13526

2015-0158-M (1.52)
 KBH 3/3/2023

CLASSIFIED BY DCM NANCY M. MASON. REASON: 1.5(C).

TEXT:
~~CONFIDENTIAL~~ MONTEVIDEO 000844

C O R R E C T E D C O P Y, PARA TWO CORRECTED

E.O. 12598: DECL. 4/29/03
 TAGS: EFIN, PTER, KCRM, UY
 SUBJECT: ALLEGED MEETING BETWEEN IRA AND ETA
 REPRESENTATIVES IN URUGUAY

CLASSIFIED BY DCM NANCY M. MASON. REASON: 1.5(C).

1. (U) ON APRIL 25, THE PROMINENT ARGENTINE DAILY "LA NACION" PUBLISHED A STORY REGARDING AN ALLEGED MEETING BETWEEN REPRESENTATIVES OF THE SPANISH ETA AND THE IRISH REPUBLICAN ARMY (IRA) THAT REPORTEDLY TOOK PLACE NEAR THE URUGUAYAN RESORT TOWN OF PIRIAPOLIS THE PREVIOUS WEEK. ACCORDING TO THE STORY, A GROUP OF LOCAL EX-TUPAMARO GUERRILLAS HOSTED THE MEETING BETWEEN SIX UNNAMED ETA AND IRA MEMBERS WHO SUPPOSEDLY ANALYZED THE RECENT NORTHERN IRELAND PEACE PLAN AND DISCUSSED WHETHER NEGOTIATIONS WITH THE SPANISH GOVERNMENT COULD PRODUCE A SIMILAR ACCORD FOR BASQUE SEPARATISTS. THE REPRESENTATIVES ALSO ALLEGEDLY DISCUSSED THE FINANCES OF THEIR ORGANIZATIONS DEPOSITED IN URUGUAYAN AND REGIONAL FINANCIAL INSTITUTIONS.

2. (U) WHILE FAILING TO GIVE ANY NAMES, THE AUTHOR OF THE STORY PROVIDED PHYSICAL DESCRIPTIONS OF SEVERAL OF THE SUPPOSED REPRESENTATIVES AND EVEN DESCRIBED THE FOOD THAT WAS SERVED. THE WRITER FURTHER CLAIMED THAT THE CHIEF IRA REPRESENTATIVE HAD ARRIVED AT THE INTERNATIONAL AIRPORT IN MONTEVIDEO FROM NEW YORK VIA BUENOS AIRES, WHILE THE HEAD ETA MEMBER HAD FLOWN IN FROM PARIS, ALSO VIA BUENOS AIRES.

3. (U) ON APRIL 26, THE TWO LARGEST DAILY PAPERS

IN MONTEVIDEO RAN SIMILAR STORIES ON THE ALLEGED ETA-IRA MEETING, ALTHOUGH BOTH REPORTS CONTAINED LITTLE NEW INFORMATION AND WERE PRIMARILY BASED ON THE ACCOUNT IN LA NACION. ONE OF THE LOCAL ARTICLES, HOWEVER, CLAIMED THAT SOURCES FROM THE GOU MINISTRY OF INTERIOR REVEALED THAT THE GOU HAD KNOWLEDGE OF THE EVENT BUT DID NOT TAKE ANY STEPS TO PREVENT IT SINCE THE REPRESENTATIVES ARRIVED IN THE COUNTRY LEGALLY AND WERE NOT SUBJECT TO ANY LOCAL OR INTERNATIONAL WARRANTS.

4. (U) RESPONDING TO THE MEDIA HYPE, THE MINISTER OF INTERIOR RELEASED AN OFFICIAL STATEMENT ON APRIL 27, PUBLISHED THE FOLLOWING DAY, DENYING THAT THE GOU HAD ANY INFORMATION REGARDING THE SUPPOSED ETA-IRA MEETING. SPOKESPERSONS FOR SINN FEIN, THE BRITISH GOVERNMENT OFFICE FOR NORTHERN IRELAND AFFAIRS AND THE LOCAL TUPAMARO POLITICAL ORGANIZATION CONTACTED BY THE URUGUAYAN MEDIA ALSO REFUTED HAVING ANY KNOWLEDGE OF THE MEETING. AN APRIL 29 NEWSPAPER ARTICLE REITERATED THE GOU'S STANCE AND REPORTED THERE WAS NO INDICATION OF ANY SUCH MEETING AND THAT INTERPOL AND URUGUAYAN IMMIGRATION RECORDS DID NOT REVEAL ANY ETA OR IRA LEADERS HAVING ENTERED THE COUNTRY.

5. (S) IN RESPONSE TO THE INITIAL MEDIA STORIES, EMBASSY CHECKED WITH ALL SOURCES TO (MEETING BETWEEN ETA AND IRA REPRESENTATIVE TOOK PLACE AS ALLEGED. ALL SOURCES REPORT, THAT THERE CURRENTLY IS NO EVIDENCE TO SUPPORT THIS CLAIM. THE CHIEF OF GOU POLICE INTELLIGENCE EXPRESSED HIS OPINION THAT THE NEWSPAPER STORIES WERE COMPLETE WORKS OF FICTION.

ASHBY

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#0844

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SECT: SECTION: 01 OF 01

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