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Date: 2 July, 1996

-B PS/Secretary of State(L+B) -B PS/Sir John Wheeler(L,B+) -B PS/Michael Ancram(L,B+) -B PS/Malcolm Moss(L+B) -B PS/Baroness Denton(L+B) -B PS/PUS(L+B) -B PS/Sir David Fell -B Mr Thomas (L+B) -B Mr Bell -B Mr Legge -B Mr Leach (L+B) -B Mr Steele -B Mr Watkins -B Mr Wood (L+B) -B Mr Beeton Mr Currie -B Mr Hill(L+B) -B Mr Lavery -B Mr Maccabe -B Mr Perry -B Mr Stephens -B Ms Checksfield -B Miss Harrison (L+B) -B Ms Mapstone -B Mr Whysall(L+B) -B Ms Collins, Cab Off (via IPL) -B Mr O'Mahony, TAU -B Mr Lamont, RID -B HMA Dublin -B Mr Westmacott, (via RID) -B Mr Campbell-Bannerman -B Mrs McNally(L+B)

File Note

TALKS PROGRESS REPORT, 2 JULY

1. Morning largely occupied in sterile discussion of powers and position of Chairmen; on which a range of amendments were put forward (circulating separately under cover of Mrs McNally's note of today): including one by the Government which failed, however, to satisfy the UKUP and DUP. Issue parked.

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- 2. Remaining amendments to rules of procedure discussed including the UUP amendment incorporating Ground Rule 17 on parties dishonouring their commitment to the Mitchell principles, as to which HMG put down their amendment attached: again no conclusion.
- Debate begun on status of Ground Rules, on which fundamental differences exist: but there is some hope of an accommodation being reached with the UUP, once Mr Trimble returns tomorrow. (Discussion is based on the Chairmen's paper of 27 June, circulated by Mrs McNally that day: party submissions on the question so far uncirculated are being put round today, except the SDLP's, which they refuse to release, except to the Chairmen).

(Signed)

A J Whysall

Possible alternative to UUP amendment (a) GR17 (Page 6 of 'Additions')

If, in the conduct of the negotiations, a formal representation is made that a participant is no longer entitled to participate in the negotiations on the grounds that they have demonstrably dishonoured the principles of democracy and non-violence, the Independent Chairmen will refer this representation to the two Governments for their consideration and, after consultation with the participants, any appropriate action.

Mr Lambet, RED

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Theon was on the table. Comments and Intellege at

Bester as the day went on.