

**Confidential**

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PST; PSS: Ministers Owen,  
de Rossa & Taylor; Attorney  
General; Minister of State  
Caveney; Messrs. Teahon,  
Donlon & Dalton; Amb.  
London and Washington; Joint  
Secretary; Counsellors A-I.

**Summary Report (10 July 1996)**

1. Bilaterals resumed today at Castle Buildings. All delegations other than the UUP, the DUP and the UKUP were present.
2. The Government delegation had bilateral meetings with the SDLP, Alliance, the PUP and the Chairman (De Chastelain and Holkeri). We also had contact with Michael Ancram.
3. An atmosphere of crisis characterised these and the other discussions in progress in the building. Delegations shared views on the current situation at Drumcree and in Northern Ireland as a whole. There was general agreement that the peace process is seriously imperilled by what is happening, that the prospects for a compromise at Drumcree are extremely bleak at present and that the associated disturbances elsewhere in Northern Ireland could escalate beyond control, leading to the possible collapse of both ceasefires.
4. In our meeting with the PUP (on which a separate note is being prepared), David Ervine suggested that Loyalist paramilitaries are not orchestrating the current unrest. He did not, however, disguise a basic anxiety about the capacity to curb the freelance elements who are becoming involved in certain areas (e.g. East Belfast) - and whose influence may increase as the Twelfth approaches.
5. The Alliance Party reported that its office in East Belfast came under attack from a Loyalist mob this morning.
6. Another theme of our meetings was the dangerous irresponsibility demonstrated by David Trimble and the inexplicable failure of political instinct and judgement which had led him to immerse himself in a crisis from which there could be no safe exit and which could well place in jeopardy his continued leadership of the UUP.
7. The general mood as we departed was one of "wait and see" as the Twelfth approaches. Bilaterals will resume next Tuesday.

*David Donoghue*  
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10 July 19996