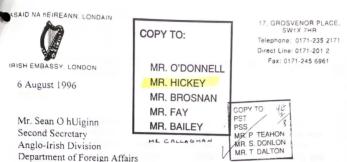
Pg. 02/07



Dear Secretary

Conversation with Quentin Thomas, NIO

I had lunch today with Quentin Thomas. When he was our guest to dinner at home on 25 July he suggested a further meeting to take up the points we had discussed then.

Derry

Thomas was concerned at the continuing absence of agreement over the Apprentice Boys parade in Derry.

In Thomas's view, the RUC's decision over the Lower Ormeau Road ought to prove helpful in the search for agreement. The residents would be mistaken to treat the principle of consent as the make or break issue because (a) the Apprentice Boys cannot speak for the Orange Order or the Royal Black Preceptory and (b) the issue of consent, which will be difficult to define in practice, can be taken up by the Independent Review.

Thomas remarked that John Hume is doing very good work on the parade. There must be a fear, however, that Sinn Fein will not wish to facilitate a triumph for Hume.

I probed Thomas a little on what will happen if there is no agreement. He said that presumably the RUC will ensure that "some kind of parade takes place". Whether to allow the marchers on the walls will be a difficult question.

Overall, Thomas's own feeling is that by some means or other, it will prove possible to avoid another Drumcree.

Drumcree

Thomas, like the Secretary of State and other British officials with whom I have spoken, underlined that Unionist conduct during the Drumcree crisis was for the British Government, a very surprising factor. The assumption has always been that if the British Government upholds the Union, financially and in other ways, Unionists will remain law-abiding.

Drumcree upsets this long-standing assumption. "The terms of trade" of the British-Unionist relationship have been changed. This applies most obviously on the issue of decommissioning but has a wider application as well.

Turning to the aftermath of Drumcrec, Thomas described the Nationalist response as an "over-reaction". "By the standard of New York policing", the conduct of the RUC was not abominable.

The political beneficiaries of the events of July have been Sinn Fein. Unionists failed to see this at the time. Even now, instead of rethinking their attitudes, they seem broadly content at what they have done. They continue to think in terms of not being pushed further and "drawing a line in the sand".

Thomas asked me whether I could put any optimistic construction on the events of recent weeks.

I said that one could interpret the events as an outburst of emotion somewhat separate to the central reality of pursuing a political accommodation. Any process of change, whether personal or political, can involve turbulence of this kind.

Secondly, it could be argued that Drumcree exposed the majority-minority relationship in Northern Ireland, which may help a number of people to clarify their thinking. In understanding the reaction of Nationalists, it would be wrong to focus exclusively on the conduct of individual RUC men on the Garvaghy Road on 11 July. The broader political question - whether the rule of law will be upheld against Unionist pressure - has made an even deeper impact on Nationalists.

Thomas was less sanguine than I about the ability of Unionists to draw a political lesson from Drumcree. He outlined in some detail his view that Unionists, like Nationalists, are deeply alienated - not only from their neighbours but from the British Government. Like Nationalists, they use the language of injustice and exclusion to describe their circumstances. They consider that the British Government has failed to give them the Parliament which they expected in 1921.

Thomas conceded, however, that Unionists are more strongly represented than Nationalists in positions of privilege in Northern Ireland. He also conceded, in response to questions, that whereas Nationalists aspire to negotiating a settlement with Unionists - to an historic compromise - Unionists have never taken a fundamental decision to protect their interests through negotiation with their neighbours. Insofar as Unionists think of concessions, they prefer to understand them in terms of conforming to abstract standards, whether on civil rights, fair employment, or the protection of minorities

Thomas went on to describe what he sees as the multiple distortions of the political process in Northern Ireland. Unionists see themselves as locked in struggle with the IRA rather than as dealing with the SDLP and the Nationalist population in general. The IRA focuses on London's role rather than on relations between the two communities per se. John Hume calls for an agreement between Unionists and the rest of the island of Ireland. Although Hume's picture is closer to reality than that of the IRA or the Unionists, the most profitable approach to the problem, for Thomas, is to see it in terms of inter community relations in Northern Ireland.

The next steps

Thomas asked me where, in my view, the policy of the two Governments might need to change. He wondered aloud whether it is necessary to conclude that our policies up to now have failed.

I invited Thomas to describe the options.

Thomas said that because of his long experience in the NIO he thinks "along tram lines". Having said this, he could see three broad options:

* continued pursuit of the present policy

- * further reforms under direct rule
- * movement in the direction of an "imposed solution"

As regards the second option, Thomas confirmed in response to the question that it would involve the continued implementation of the Anglo-Irish Agreement. As examples of areas for reform, he mentioned flags and emblems and policing, although he acknowledged that the NIO agenda on policing, as hitherto defined, might be seen by us as too cautious. Thomas did not demur when I said that devolution through an enhancement of local Government, an option of which mention has been made, would be unlikely to be seen in Dublin as a "reform" in the sense he was describing.

Thomas said that the option of direct rule plus reform plus implementation of the Anglo-Irish Agreement would in reality be a holding operation, satisfying the need to "put something in the shop window" if the present talks fail. It would be necessary to return in due course to the idea of a comprehensive settlement across the three strands, which has been the obvious approach ever since the 1920s.

As regards the third option, that of imposing a solution, or short of that, applying more pressure to the Unionists, Thomas fears, in the light of Drumcree, that Unionist reactions could prove dangerously unpredictable. Although one would like to think otherwise, Trimble and Paisley are representative of their community. There is no strong likelihood that an appeal over their heads would be successful.

Responding to Thomas, I stressed that we are committed to pursuing the current political negotiations and that we are hopeful of making progress. Should the negotiations fail, the Anglo-Irish Agreement would remain and should be used.

As regards Thomas's third option. I said that speaking personally, I could see the attraction of a further appeal by the two Governments to public opinion opinion not only in Northern Ireland, but in the Republic and possibly even Britain. At the same time, there is an onus on everyone involved to avoid any

significant risk of destabilising Northern Ireland and creating turmoil on the

ground.

Taking the discussion a step further, Thomas said that it is incumbent on everyone involved to do as much thinking as possible, even in a speculative way. In that spirit, he wondered aloud whether there could be scope in due course for an initiative which would do two things at the same time: strengthen Anglo-Irish joint management of the process, and reassure Unionists on particular points. In suggesting this, even as an hypothesis, Thomas made clear that he is not retreating from the Framework Document. The ideas set out in the Framework Document will ultimately need to be addressed by Unionists.

As a general caveat, Thomas referred to the possible difficulty for the British Government of taking a significant new initiative just before a General Election.

The political negotiations and decommissioning

Thomas described to me the UUP approach to decommissioning in terms similar to those used by Jonathan Stephens on Sunday. A "weak" agreement on decommissioning would expose the UUP to what they would see as IRA pressure in the event of a further ceasefire, which in their eyes would be tactical only. It would also expose them politically in the almost certain event of a DUP-McCartney walkout from the talks as soon as Sinn Fein came in.

Thomas saw the solution in terms of (a) deploying the commitment of the two Governments to introduce legislation on decommissioning and (b) devising a "work programme" for the sub-committee on decommissioning. Comment: a third idea, to make use of regular plenaries to assess progress across the board, suggested to me by Jonathan Stephens, was implicit in Thomas's emphasis on the need for "parallel" progress in the negotiations.

I asked Thomas whether the "work programme" in the sub-committee would differ in character from the "agenda" in each of the three strands.

Thomas acknowledged a difficulty here. It might not be in the interests of the negotiations to have an elaborate work programme in the three strands. This could lead to an emphasis on "principles" and a very long delay before actual drafting begins.

Thomas also acknowledged that Sinn Fein may in any case find it impossible to

deliver on decommissioning. Some ingenuity will be required if we are to "square the circle" and unite the Unionist and Sinn Fein positions.

I pointed to the Mitchell Commission Report as a common point of reference. Drawing on what Thomas had said about the possibility of moving quickly to substantive negotiations in the three strands, I said that the shorter and more definite the timeframe for negotiations, the greater the possibility of interesting Sinn Fein in decommissioning.

Again introducing a caveat, Thomas said that it is hard to be certain the UUP wants to do a deal in the present negotiations. While Reg Empey probably does, the attitudes of the other Unionist leaders fill a wide spectrum.

Prospects for a cessation of violence

Thomas said that the NIO is completely unable to grasp IRA strategy at this point.

The situation is reminiscent of 1993, when John Hume insisted that certain statements by the British Government would bring about a cessation of violence by Christmas. What happened then was less tidy than Hume had predicted, in that the cessation came only in August 1994. Overall, this precedent suggests that Hume's understanding of these matters must be respected.

Thomas is also inclined to the view that Sinn Fein and the IRA are nervous of the possibility that agreements of historic magnitude might be reached in negotiations in which they are not present.

For the above reasons, the NIO does not rule out a further cessation of violence by the IRA.

Yours sincerely

Philip McDonagh Charge d'Affaires a.i.

Chily Mudnigh