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Handy
Pia Sir

FROM: D J R HILL
POLITICAL DEVELOPMENT TEAM
23 September 1996

Mr Stephens

cc

PS/Sir David Fell
Mr Thomas o/r
Mr Leach (B)
Mr Bell
Mr Watkins
Mr Maccabe
Mr Lavery
Mr Whysall (B&L)
Ms Mapstone
Ms Bharucha

SCENARIO BUILDING

1. Mr Leach's submission of 20 September reports the current state of the trilateral relationship: the UUP are clearly looking for a lot more from both Governments and it was distinctly worrying that a moderate like Alan McFarland should be so firmly negative on the key question of whether any business could be done with Sinn Fein before decommissioning had started; the Irish have some reason to be gloomy and suspicious. It may be that McFarland's line did reflect a lack of familiarity with the leadership's current position, or the pressure he was clearly under from Hunter (and King); but the two Governments will both need reassurance during today, or most bets will be off.

2. Against that background I suspect that some contingency planning would not be amiss. The O hUiginn line seems to be that if a deal cannot be struck with the UUP in short order the issue should be put into plenary for a general debate. That does not strike me as a sensible course of action, but alternatives do not spring readily to mind. Would it be better simply to declare the negotiations suspended? Is there any way in which we could create more space/time for development of the trilateral relationship?

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3. I did wonder if we could play in the fate of the forum, which would of course need to be terminated if the negotiations were suspended - but that would need an affirmative resolution order so we could not act until Parliament had resumed. If no trilateral deal can be stitched up in the next couple of days we might suspend the negotiations and declare an intention to suspend the forum as soon as possible (ie by late October) as a way of putting pressure on the UUP to reach a deal.

4. More gloomily still, it seems to me that we could well face a situation in the near future in which the de facto IRA ceasefire in Northern Ireland is broken and the CLMC ceasefire has also broken down. What should our response be in such circumstances? My instinct would be to soldier on with the political talks, embracing the constitutional political parties; but that would require a positive and active political/presentational strategy. It could be that in those circumstances decommissioning would be less of an issue in the talks, having become in Sean O hUiginn's words "hypothetical", but it could still exert a baleful influence. Would there be any way of reducing that risk?

5. I apologise for the random nature of these thoughts. I look forward to an opportunity to discuss them with you and colleagues.

(Signed)

Following yesterday afternoon's bilateral with the Irish and the subsequent trilateral between the two Governments and the UUP, Mr Leach, Mr Perry and I met Irish officials (David Geaney and Paul) to see whether agreement could be reached on the text of a UUP on the future handling of the decommissioning issue. The result is attached. The main points are:

- (a) in the fourth tier we agreed (as previously authorised by Michael Ancram) to delete the specific reference to the International Body's proposed compromise approach on decommissioning (the first tier already makes the point that "all aspects" of the International Body's report includes its proposed approach);

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