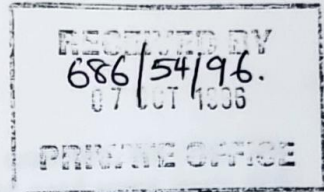


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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

7 October 1996

Dear Men,

MEETING WITH TEAHON, 5 OCTOBER

As foreshadowed in my letter of 4 October about the telephone call between the Prime Minister and Taoiseach, I saw Teahon in the margins of the Dublin European Council. We talked round the issues for about 45 minutes.

Teahon began by pressing again the virtues of a meeting of the full Butler/Teahon group. He laid less stress this time on the imminent breakdown of the talks, and more on the need to explore all possible ways forward, both to make the talks work and to have an alternative if they did not. I rehearsed again our concerns about leaks, appearing to give up on the talks, or appearing ready to impose a settlement. Teahon ended by agreeing that discussions could start between appropriate senior officials, for example in the margins of the Liaison Group (not in the Group itself), and that meanwhile he and I could continue to discuss the possibilities. Sir Patrick Mayhew and the Tanaiste would also be meeting in Pittsburgh. Teahon may send me some thoughts in writing in the next few days.

Teahon's ideas were as difficult to pin down as ever but the following threads were discernible.

- (i) A new IRA ceasefire was still a real possibility. The noises they heard from Sinn Fein remained positive. But their readiness to go for a ceasefire would be heavily conditioned by whether there was a process worth joining. That was one of the reasons why the Irish were so gloomy about the present state of the talks. In particular they were convinced that an open discussion of decommissioning in the plenary could be disastrous. We needed to break out of the present blockage.
- (ii) The Irish remained suspicious of our relationship with Trimble. Had we given him assurances that he would retain a veto over the talks? I reassured him that there were no hidden agreements. Trimble had told us he wanted the talks to continue and was still open to discussion. We wanted to make something of this if we could.

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(iii) The Irish realised that if there was a new IRA ceasefire, we could not immediately behave as if all was now well. We would need some space and time. (I encouraged this thought.) He wondered whether Mitchell might be able to play a useful role here, eg by talking to Sinn Fein himself and perhaps extracting assurances from them. I asked Teahon what sort of ceasefire he thought the IRA would announce, if they did. His assumption was a straightforward restoration of the August 1994 ceasefire. I commented that this immediately raised the question of whether it would be worth any more than the 1994 ceasefire. We would want to see some practical signs that the IRA meant what they said.

(iv) If the talks broke down, there could be merit in trying to agree the outlines of a settlement between the two Governments, the SDLP and the UUP. The Irish continued to believe that this need not prove too daunting an exercise, if only the two sides could actually get down to talking about substance. Unionist objections to the Joint Framework Document had always seemed to concern the method of its production more than its content. But Teahon did not talk about Green or White Papers on this occasion.

I made clear that we were not opposed to contingency planning or creative thinking. We would be happy to explore ideas informally. But we did not think the talks were about to break down, and did not believe it helpful to behave as if we did. The talks had to be continued. We were also a good deal more sceptical about the prospects for a ceasefire. Whatever Adams might say, the IRA commanders did not look to us to be ready for a ceasefire. If we were wrong, as we hoped, this would create a new situation. It would not be problem-free, as Teahon had himself suggested, but if we could manage the difficulties successfully, the peace process could take on new life. Conversely, if it became clear that there was no prospect of a ceasefire, it might become easier to manage the issue of decommissioning, because there would not be the same concern about Sinn Fein being about to join the talks.

This was not a comfortable line of thought for Teahon in some ways, but he accepted that it played into his own idea of UUP/SDLP-based discussions if the present talks did not work, and to the possibility of involving Mitchell in the event of a ceasefire.

Teahon also pressed on how we would respond when, as was almost inevitable, Hume came back to us with a "quite good, but more needed" response to our text. I refused to be drawn: we would not negotiate the terms of a ceasefire with Sinn Fein, but our response would depend on what Hume said. I could not predict now whether we would go ahead and publish the text as it stood, or be prepared to alter it in some way. But the latter would pose

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great difficulties. Teahon played the usual record: he understood we could not negotiate, but surely a little flexibility might be possible ...

On the latter point, incidentally, Lake rang me over the weekend. He had talked to both Hume and Adams on the telephone, to encourage them to respond positively to our text. Hume was positive. He said he had encouraged Adams to use only existing British language if he wanted changes to the statement. Adams had sounded "relatively upbeat" but guarded. He had said he would be talking to the hard men, and would have their response by today.

Comment

It seems to me worth engaging the Irish informally in a discussion of possible ways forward, as long as we can avoid either appearing to plan for a breakdown or planning between us the shape of a settlement to offer others. In particular, there are obvious attractions in finding a positive way to breathe new life into the talks rather than watching them run into the sand. There may be some scope for finding a way, agreed with the Irish, to persuade Trimble that either Sinn Fein will not enter the talks for the foreseeable future, in which case there is no point wrecking the process on the altar of mutual decommissioning, or that if there is a new ceasefire, Sinn Fein will not simply be let in but will have to demonstrate their good faith, including on decommissioning (without erecting a new pre-condition). Involving Mitchell could have some attractions here: it is after all his compromise we are all committed to.

I am copying this to William Ehrman (Foreign and Commonwealth Office), Jan Polley (Cabinet Office), and by fax to Sir John Kerr (Washington) and Veronica Sutherland (Dublin).

Yours are

John

JOHN HOLMES

K Lindsay Esq
Northern Ireland Office

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