

## CONFIDENTIAL

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Date: 9 September, 1996

cc PS/Secretary of State (B&L)  
PS/Sir J Wheeler (B,L& DFP)  
PS/M Ancram (B&L)  
PS/Bns Denton (DOE,DANI&L)  
PS/Mr Moss (B&L)  
PS/PUS (B&L)  
PS/Sir David Fell  
Mr Legge  
Mr Bell  
Mr Leach (B&L)  
Mr Steele  
Mr Watkins  
Mr Wood (B&L)  
Mr Beeton  
Mr Hill (B&L)  
Mr Lavery  
Mr Maccabe  
Mr Perry  
Mr Priestley  
Mr Stephens  
Ms Checksfield  
Ms Mapstone  
Mr O'Mahony, TAU  
Mrs McNally (B&L)  
Mr Holmes, No 10 (via  
PS/Sofs)  
Mrs Collins, Cab Off  
HMA Dublin  
Mr Lamont RID, FCO  
Mr Westmacott, Wton (via RID)  
Mr Campbell Bannerman

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pm 13/9.

## NOTE FOR THE RECORD

## TALKS, 9 SEPTEMBER: SUMMARY, 3PM

1. At the start of the proceedings, the Chairman made a statement denying as 'unfounded and untrue' speculation that he would shortly leave the talks: though, as the Governments were aware, there would be occasional days when he would need to be absent to fulfil other commitments.

2. The DUP had prepared a 'Notice of Indictment' against the PUP and UDP. The Chairman proposed to allow the two parties time to prepare a response; then circulate both documents to the other participants. After some debate about procedure and an adjournment, it was agreed that the 'notice' would be circulated forthwith; the PUP and UDP would have until tomorrow at 10 to prepare a response. The talks would adjourn in the meantime, the Chairman urging participants to engage in bilaterals about the rest of the opening agenda.

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3. Dr Paisley (joined by Mr McCartney) indicated that he would not sit in talks while the loyalist parties were present with the allegation standing against them; privately he suggested that if they were found not to be in breach, he would leave the talks.

4. There was no Sinn Féin demonstration, as had been thought likely; but a small stunt outside the gates by Republican Sinn Féin.

(Signed)

A J Whysall

#### NORTHERN IRELAND: FUTURE POLICY OPTIONS

Thank you for your letter of 2 September, and the attached paper.

The Prime Minister was grateful for the further work that has gone into this exercise. He hopes that it will not be needed, since he agrees strongly that the current talks process must be sustained if at all possible. He is therefore content that there should be no further work for the moment. But the risk of the talks running into the sand, or one or more of the main parties walking out, remains high, and it is as well to have done at least some preliminary thinking against this eventuality.

As far as the substance is concerned, the Prime Minister believes that your analysis is more negative than it need be on some of the ideas raised, particularly if they were put forward as a balanced package. Clearly each side would pick the bits they liked and criticise the rest, and one side's views would no doubt tend to be a mirror image of the other's. But this is true of any policy or initiative in Northern Ireland and should not inhibit us from making proposals when we believe them to be necessary and justified.

In particular, the Prime Minister is not convinced that any return of more powers to local government is bound to be as difficult and one-sided as you suggest, and believes that the idea of a body of local politicians acting as advisers to NIO Ministers could be dressed up to be reasonably attractive. He does not accept that a limited and balanced package of measures has to be seen as some kind of internal settlement and a departure from the triple lock. He is also less sure than the paper that we have seen every day and discussed every day with the Irish Government, although we would obviously want to work with them closely wherever we could.

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