FROM: J A STEPHENS IPL DIVISION 8 OCTOBER 1996

PS/Michael Ancram (L&B) PS/Sir John Wheeler (L&B) PS/PUS (L&B) PS/Sir David Fell Mr Steele Mr Thomas Mr Bell Mr Ray Mr Watkins Mr Beeton Mr Hill Mr Maccabe Mr Perry Miss Bharucha	1111111111111	BBBBBBBBBBBB
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PS/SECRETARY OF STATE (L&B) - B

MEETING WITH IRISH OFFICIALS: TUESDAY 8 OCTOBER

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Mr Thomas, Mr Watkins, Mr Hill, Mr Maccabe and I met a group of Irish officials, including Mr O'hUiginn, Mr Donoghue, Mr Cooney and Mr Haire (Taoiseach's Department) yesterday afternoon for an informal discussion of the current situation and possible ways forward.

2. The meeting took place against the background of the exchanges over the weekend between No 10 and the Taoiseach's office reflecting the Taoiseach's enthusiasm for contingency planning between the two Governments for a collapse of the talks process. Before yesterday's meeting, DFA officials had clearly signalled to us that they did not share the analysis that the process was bound to collapse and agreed with us that we should work to sustain it. The meeting, at which the Taoiseach's Department was represented, was therefore an opportunity to set out before the whole Irish side the arguments for continuing with the talks process. It was also an opportunity to sound out the Irish side, on an informal and

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non-committal basis, on various ideas - also discussed informally with Ministers - which we had been developing for getting over the impasse on decommissioning.

3. We began by agreeing that, despite signals from the UUP that there remained some room for manoeuvre in their position, the gap between the UUP's position and that set out by the two Governments on decommissioning was realistically too wide to bridge. If there was to be progress, some alternative way forward had to be found.

4. Mr O'hUiginn acknowledged that some work was being done in the Irish system to anticipate collapse of the talks process. In that event, there were really only two alternatives: either to throw in the towel altogether and leave no political process to fill the vacuum, or for the two Governments to put something together in its place.

5. Mr Thomas said that, if indeed the talks did collapse, then no doubt the two Governments would consult closely together and would each put their best efforts into filling the vacuum. But the reality was, particularly so close to an election, that it would be very difficult to disguise the vacuum. It was too close to the election to expect the Government to take political risks and, if alternative policies were being looked at, there could be no guarantee that some alternatives the Irish Government would find unattractive - such as a shift towards greater integration or a limited transfer of responsibility to local government - would not also come into play. Our clear conclusion was that we must sustain and exploit the existing talks process to the greatest possible degree, because there was nothing credible to replace it.

6. Turning to how to do that, Mr Thomas noted the paradox that the whole process was currently stuck on what, in current circumstances, was an entirely academic issue - decommissioning. Its only relevance was against what now looked like the unlikely contingency that Sinn Féin would join the negotiations. But the effort of keeping that door open was screwing up the prospect of progress without Sinn Féin. A non-inclusive process was very much a

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second best but one advantage was that it removed the need to resolve the decommissioning issue.

7. We had been thinking - in a very preliminary and inchoate way - about how to capitalise on this. One approach - very much at an early stage and not yet endorsed by Ministers - might be to park the decommissioning issue as unresolved while there was no IRA ceasefire, and make progress with the three strands. This would have to be on the understanding that, if a satisfactory IRA ceasefire were declared and Sinn Féin subsequently joined the negotiations, the participants would have to return to address decommissioning rather than Sinn Féin stepping straight into the three strands. This would not give the Irish Government and the SDLP the assurance they sought that decommissioning would not block the negotiations if Sinn Féin joined them, but nor did it give the UUP the "decommissioning cage" which they had sought. Meanwhile, it enabled progress into the three strands.

8. Explaining the domestic constraints on the Irish Government, Mr O'hUiginn said that it would be impossible for an Irish Government to erect decommissioning in to what was seen as a precondition of Sinn Féin's entry. In those circumstances, the Irish Government were convinced that decommissioning was undeliverable and the Taoiseach - already under attack for having allowed the peace process to fail - would be criticised for setting Sinn Féin a test they could not meet.

9. If decommissioning were "parked", he wondered if this would not look as if the key to Sinn Féin's entry was being left in Mr Trimble's pocket. It might be acceptable if the outcome on decommissioning were explicitly neutral, with a prospect that the sort of approach set out by the two Governments might yet carry the day, but Trimble had ruled out such an approach and there was no reason to think that would change. There was also the problem that, if we parked decommissioning, we would presumably be content for the loyalist parties to remain in the process but without delivering any arms. But would the reverse hold? If the loyalist ceasefire broke

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down but the IRA renewed their ceasefire, would we similarly be happy to include Sinn Féin without expecting any decommissioning? Because the answer was likely to be no, it would look as if decommissioning were a precondition aimed only at Sinn Féin.

10. Turning to another possible approach - also at a very preliminary stage and not endorsed by Ministers - Mr Thomas noted that it would be possible to offer a "closing offer" or "challenge" to Sinn Féin. The chance of joining this round of the talks process would be held out, but only for a limited period. We would hope that Sinn Féin would take up the chance but, if they did not, then the offer would not be held out for ever and, while the remaining participants set aside a period of, say, six months to try to secure a deal among themselves, Sinn Féin would not have the opportunity to join them half way through.

11. Mr Thomas also noted that, in any case, Ministers were coming under pressure to tighten up the conditions of entry for Sinn Féin. It was clearly unrealistic, following Lisburn, for Sinn Féin to expect immediate access to the negotiations following a ceasefire. Making this clear in public might provide more reassurance to unionists which would enable progress to be made. There was a spectrum of possibilities, although none involved absolutely slamming the door on Sinn Féin for good.

12. Mr O'hUiginn readily acknowledged that immediate access to negotiations after a ceasefire was unrealistic. He also agreed that there may be no choice but to proceed with a non-inclusive process and, for the Irish Government's part, they were prepared to explore that in good faith. But it would be a different matter to slam the door on an inclusive process, even if that seemed only a theoretical options at this stage. A "challenge" to Sinn Féin would need to be presented carefully, if at all, to avoid giving this impression.

13. I raised the possibility that another means of giving unionists the confidence to proceed without Sinn Féin but without having decommissioning tied down as they would like, would be to

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proceed with our planned legislation in any case. That would rebut the charge that the Government was dragging its feet and might, for example, play a part in a "parking" scenario. Indeed, although officials were not involved, it was not impossible that something might be made of this at the party conference.

14. Mr O'hUiginn said that the Irish Government had no policy on whether it would make sense to proceed with decommissioning legislation in the absence of agreement to the proposal put forward by the two Governments. Their basic position was that they would proceed with legislation if it seemed genuinely helpful; but to proceed with the legislation against the background of a renewed IRA campaign in Northern Ireland could look like a "black joke" and carry no credibility in the Dail.

15. Concluding what everyone had agreed had been a useful exchange of ideas, without commitment on either side, Mr O'hUiginn said that there were a number of ideas that might be worth following up, in particular any notion of "parking" decommissioning on an acceptable basis until it became a relevant issue. His final thought, however, was that there was not a lot of time: the SDLP were getting increasingly restive and saw Sinn Féin benefitting from the lack of progress in the talks.

SIGNED

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