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CONFIDEN'TIAL

FROM: DATE:

CC:

Mrs V E Sutherland, HMA Dublin 12 December 1997

J Grant Esq, PS/SofS, FCO Sir Richard Wilson KCB, PUS, Home Office Ms Jan Polly, Cabinet Office Mr Ken Lindsay, PS/SofS, NIO

By fax to everyone

Mr Holmes, PS/No.10

DINNER WITH THE IRISH

1. Thank you for copying to me your letter of 11 December to Ken Lindsay.

2. I agree that the main points raised were those you recorded, but it is perhaps also worth noting Tim Dalton's intervention, not least because he is one of the most moderate officials on the Irish side.

3. Tim Dalton said that negotiations on both constitutional issues and the three strands were undoubtedly very difficult indeed, but that nevertheless the outline of a deal on both was discernible: agreement on the basis of sufficient consensus should be possible. There were, however, three other items which were not central to the Talks process, but which could nevertheless derail it. These were - prisoners, decommissioning and, to a lessor degree, policing. Tim Dalton said that he thought it unlikely any agreement would endure in the long term unless these three issues were tackled in parallel. He accepted that much work had been done, but wondered whether the two governments should devote even more attention to them?

4. Personally, I found the dinner enjoyable and the discussion generally constructive. But I came away reinforced in the view that Strand II remains a formidable problem. Irish aspirations are clearly beyond what Unionists will find acceptable. I was reminded of the response made by Ed Malone, editor of the Belfast Telegraph, some months ago to my question as to whether it was realistic to expect a solution next year. He said he doubted it: he feared that what happened in the 1970s would happen again, namely that the Nationalists would require more in the way of North/South bodies than the Unionists could tolerate.

5. I am including Richard Wilson in the copy addressees on account of the prisoners point.

(SIGNED)

Veronica Sutherland Ambassador

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