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10 DOWNING STREET  
LONDON SW1A 2AA

From the Principal Private Secretary

11 December 1997

Dear Ken,

### DINNER WITH THE IRISH

The Irish Ambassador gave a dinner last night in honour of Sir Robin Butler's retirement. Sir Richard Wilson, Sir John Chilcot, Jo Pilling, Veronica Sutherland and I were there on our side. Paddy Teahon, Martin Mansergh, Dermot Gallagher and Tim Dalton were there on the Irish side. It was a very friendly occasion, with warm speeches from the Irish side for both Sir Robin and Sir John, and generous gifts.

There was also a discussion of the peace process. Paddy Teahon started the ball rolling by making clear his relative optimism about the talks process, as well as about the IRA ceasefire. He saw the forthcoming discussions between the Irish and the UUP as crucial in establishing whether a deal was really do-able. He was hopeful that it was, but could not be sure. The absolutely crucial point for the Irish was a respectable outcome on North South: all-Ireland bodies with executive powers, although the words used did not need to be exactly these. He was keen to know where we thought the UUP bottom line lay.

Dermot Gallagher, echoed by Martin Mansergh, made much of the need for highly-sophisticated drafting and careful timing in putting any papers forward, such as heads of agreement. If we got this wrong, we would drive one or other party out of the process. This was obviously aimed at me/the Prime Minister.

I said that the Prime Minister was also relatively optimistic about the talks, but less sure about IRA intentions than the Irish, and a bit more concerned about whether the talks could be left to drift much longer. Obviously the parties preferred to avoid crunch decisions, but they would have to face them sooner or later. There was a difficult question of whether progress was better through

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sorting out heads of agreement first and getting down to details later, or the other way round. The Prime Minister's instinct was that heads of agreement would have to come first.

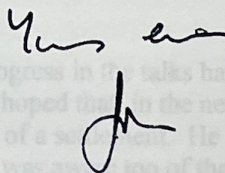
There was an interesting discussion about timescales. Teahon referred to Trimble's desire for a referendum in early May. This was obviously desirable. But what did it mean for the timescale of agreement in the talks, given the Irish need to legislate and our own need to prepare opinion? The agreed conclusion was that we would need to reach agreement by late March. This was a sobering thought for everyone round the table.

There was also some discussion of constitutional change. The Irish stressed the difficulty they would have in selling changes to Articles 2 and 3 in some quarters of Dublin. They made clear that this would be impossible if there was not balancing change on the British side.

Teahon also stressed several times the need for UUP rhetoric to change if they were going to be in a position to support a settlement. I agreed, but said that the same of course applied to Sinn Fein.

This is a very hasty record before departure for Luxembourg, and others may be able to add to it.

I am copying this to John Grant (Foreign and Commonwealth Office), Jan Polley (Cabinet Office) and Veronica Sutherland (Dublin - by fax).



JOHN HOLMES

Ken Lindsay, Esq.,  
Northern Ireland Office.

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