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NORTHERN IRELAND: MULTI-PARTY TALKS - BACKGROUND

1. Today's proceedings generated a potentially dangerous sense of despondency and failure, with some risk of a round of recrimination and blame allocation.

2. The subgroup failed to reach agreement on any list of key issues.

There was much tactical positioning. Trimble having demonstrated flexibility by tabling a joint paper with the SDLP (which referred to "an Assembly") and then making a further concession, had the moral high ground with Sinn Fein isolated, and was not about to concede it. He also drew public attention to the fact, thus breaching talks confidentiality. The Irish Government's attempts to prevent Sinn Fein being isolated irritated both the UUP and the SDLP.

3. The subgroup also failed to reach agreement on any proposals regarding the format of the talks in the New Year.

Mr Trimble developed an intense suspicion that efforts by the two Governments to maintain the plenary subgroup (as a good format for reaching Heads of Agreement across the strands) was part of a Sinn Fein plot to break down the constitutional distinctions between the strands.

4. At the review plenary Mr Trimble said that the UUP had not after all agreed that the Strand 2 meeting in London should be on 26-28 January.

This was seen by some as a deliberate attempt to puncture Irish Government press briefing (Luxembourg and US trip) about the two Governments' determination to drive the process forward, including through meetings in London and Dublin.

5. The Irish ended up looking fairly depressed, including about the prospects for reaching Heads of Agreement with the UUP. They may further harden their position.

6. Meanwhile, Trimble is looking forward to meeting Ahern over Christmas and wants No 10 and NIO contacts to help him avoid pitfalls. Paul Murphy has arranged a long informal meeting early in the New Year.

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