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FROM: PETER SMYTH
27 January 1997

- cc PS/Secretary of State (B&L) - B
- PS/Sir John Wheeler (B&L) - B
- PS/Michael Ancram (B&L) - B
- PS/Malcolm Moss (DHSS,DOE&L) - B
- PS/Baroness Denton (DED,DANI&L) - B
- PS/PUS (B&L) - B
- PS/Sir David Fell - B
- Mr Thomas (B&L) - B
- Mr Steele - B
- Mr Leach - B
- Mr Bell - B
- Mr Watkins - B
- Mr Stephens - B
- Mr Wood (B&L) - B
- Mr Beeton - B
- Mr Brooker - B
- Mr Hill (B&L) - B
- Mr Lavery - B
- Mr Maccabe - B
- Mr Perry - B
- Mr Priestly - B
- Ms Bharucha - B
- Ms Mapstone - B
- Mr Whysall (B&L) - B
- Mr Sanderson, Cab Off (via IPL) - B
- Mr Dickinson, TAU - B
- Mr Lamont, RID FCO - B
- HMA Dublin - B
- Miss C Byrne, TPU, HO (via IPL) - B
- Mr Campbell Bannerman - B
- Mr Westmacott (via RID) - B
- Mrs McNally (B&L) - B
- Mr Holmes, No 10

1. cc Mr Alexander

~~Mr Craig~~

2. Mr Jones

Mr Stephens
3/2

NOTE FOR THE RECORD

Summary - 27 January 1997

Following meetings between the Government side, the UUP, the Independent Chairmen and the Irish Government - and despite debate on excluding the Loyalist parties from Talks running out of steam without being forced to an unhelpful conclusion - signs of optimism difficult to discern.

The UUP prove less than enthusiastic about HMG ideas for providing sufficient comfort to allow the party to go forward on decommissioning, with Empey taking a particularly hard line on the

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improbability of the UUP sitting in an inclusive process with Sinn Fein during the foreseeable future. Trimble not quite so negative, but doubtful of efficacy of HMG ideas for automatic braking system on Talks, and sub-committee of Plenary to discuss confidence-building measures. Fears voiced that political process has fundamentally altered in last year with the return of Republican violence, and danger of Sinn Fein being "inserted" is now greater; but acknowledgement that ideas contained in recent UUP paper could be operated parallel with, rather than instead of, the Talks process. Taylor displays some interest in seeing HMG ideas incorporated in a paper. Trimble promises to revert with initial response to HMG ideas; but UUP remains deeply distrustful of intentions of two Governments viz a viz Sinn Fein and will continue to press for commitment for Talks to proceed without Republicans on board. Developing a line that Irish and SDLP must shift position, as Unionists have already given so much ground.

In discussions with the Independent Chairmen and Irish Government, Michael Ancram explains that, while there is little reason to anticipate any dramatic success, HMG still believe that work in bilaterals might present a possible way forward on shifting the decommissioning roadblocks. If that fails, then no recourse but to look for a soft landing, while minimising the pre-election lacuna as much as possible. Dangers of sustaining meaningless political process recognised.

In resumed Plenary, Alliance requests that the position of Loyalist parties should be addressed, and if sufficient basis for indictment revealed, then Plenary should initiate procedure under Rule 29. This provokes little comment from Loyalist parties, but much impassioned rhetoric from McCartney, mostly on the theme of it being HMG's moral responsibility to reach a judgement on suitability of PUP and UDP remaining part of a democratic political process. Trimble in his contribution, attempts to develop the theme of Talks moving on without Sinn Fein, while recognising dangers of allowing the process to collapse. Expresses goodwill towards Loyalists

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remaining in Talks on "honest" basis. After a lunchtime adjournment, McCartney renews attack on HMG, deeming Michael Ancram's most recent media comments to be "a public and political disgrace"; and attempting to portray a difference of opinion between Michael Ancram and Sir John Wheeler regarding the status of the CLMC ceasefire. Mallon makes an eloquent appeal for using Talks to restore primacy of politics, rather than violence; whilst Maginnis draws elaborate distinctions between authority and cohesion of Provisional Army Council as opposed to CLMC, and uses this as cover to preserve UUP freedom of manoeuvre with regard to Loyalist parties. Debate then runs out of steam, and Plenary agrees to reconvene tomorrow to pick up discussion on Agenda Item 2.

At a wash-up meeting between the two Governments, Irish report SDLP as doubting prospects for meaningful bilaterals with UUP; but HMG, while acknowledging that SDLP/UUP nexus unlikely to take much weight, press for more time to explore areas of agreement and disagreement between two parties, before deciding if only realistic option is to attempt negotiation of a soft landing. Irish not enthusiastic, but see no alternative.

(signed)

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