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FROM: QUENTIN THOMAS
POLITICAL DIRECTOR (L)
30 December 1996
QT/MR/72680

PS/Secretary of State(L&B) cc PS/Sir John Wheeler(L&B)
PS/Michael Ancram(L&B)
PS/PUS(L&B)
PS/Sir David Fell
Mr Steele
Mr Bell
Mr Ray
Mr Leach
Mr Stephens
Mr Watkins
Mr Wood(L&B)
Mr Hill
Mr Beeton
Mrs Brown
Mr Maccabe
Ms Bharucha
Mr Whysall(L&B)
Mr N Carson
Mr D Lavery
Mr Lamont RID/FCO
HMA Dublin
Mr Elletson
Lady Olga Maitland
Mr Campbell-Bannerman

Mr Banks and Mr. - in the meeting 6/1

TELEPHONE CALL FROM ROY BEGGS MP

You sought my advice on the idea, promoted by Mr Frank Costello, that a new IRA ceasefire might be engineered on the basis that HMG would guarantee Sinn Fein early entry to the Talks process on equal terms if the integrity of the ceasefire was underwritten by the Irish Government, backed by the US Government.

2. It is not clear that this idea could achieve the support of Sinn Fein and the IRA, the Irish Government or the American Government. The idea does not appear to have been put to us directly or indirectly by any of these key players.

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3. Nonetheless I would offer the following assessment:

- (i) it seems to me possible, even likely, that an IRA ceasefire could be engineered on these terms. Despite the fact that Sinn Fein could have gained automatic entry to the Talks process on 10 June following a ceasefire, in recent weeks automatic early entry has been made the clear public pre-condition to a new ceasefire. So such a scheme should produce a ceasefire. But, if not, at the least Sinn Fein and the IRA could be embarrassed if it were shown that a ceasefire could not be obtained in this way. They could be divided from their supporters in the "pan-nationalist front" - i.e. the SDLP, the Irish Government and Washington.
- (ii) it is likely that the US Government could, on proper terms be brought to play their part. Some of the ideas Anthony Lake canvassed in the run up to the 28 November Statement came close to this.
- (iii) similarly, I believe the Irish side could be co-opted to such a scheme in some form. But this is not straightforward for them and they would face an exquisite dilemma. As we all know, the primary focus of their activities has been the securing of a new IRA ceasefire. But they would be reluctant to guarantee anything on behalf of a violent subversive organisation which they believe poses a greater challenge to their Government's authority than to that of HMG. (They will also be wary of a British trap.) Moreover, while they do not believe that the last ceasefire was merely tactical or fake, they also know that the next ceasefire

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could not be guaranteed to be permanent. Rather they see it, as the wiser among them saw the last, as an opportunity to secure over a period a benign transition. (Indeed one of their doubts about HMG's 28 November approach arises precisely because they regard the assessment period envisaged as unrealistically short, taking the reasonable view that if the fundamental transition in the Provisional movement is to be secured it will take years.)

- (iv) I believe the Unionists, and some of the Government's own supporters, would be very wary of any ceasefire, including a ceasefire engineered in this way. Many have already predicted a ceasefire before the Election in any event. The Prime Minister told Trimble and Taylor on 19 December that such a ceasefire would "be tactical and regarded as such by us". Trimble, in response, said that "if there were a ceasefire that would itself remove all prospect of progress in the Talks." I do not regard Mr Roy Beggs' apparently favourable response to the idea as likely to prevail over the sceptical position the UUP leadership would take.

4. If HMG were interested in this idea I suspect that it would take very little prompting to get the Irish Government, the US Government and/or Mr Hume to run with it. There would be an interesting tactical choice about which route it would be best to pursue. Perhaps the best way would be to cast a fly over the Irish system, whether through Mr O hUiginn or Mr Teahon. There would be some advantages to HMG in this:

- as already mentioned, it has the prospect of either securing a ceasefire (which I persist in believing to be in HMG's own interest) or in demonstrating that it is unobtainable thereby dividing Sinn Fein from the Irish Government, the SDLP and Washington.

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- it would mean that if a ceasefire were achieved, but were shown to be tactical, Sinn Fein would incur a considerable political cost in its relationships with other members of the pan-nationalist front.
- by the same token HMG would secure considerable protection from the downside risk of a ceasefire breakdown - this would be particularly true if, despite my own assessment, Mr Roy Beggs' favourable reaction proved to be the dominant unionist response.

5. However, but for the fact that the Secretary of State has raised the issue, I would have assumed that this idea was academic. Even leaving aside possible UUP reaction, I wonder whether HMG would itself be ready to modify its carefully stated position of 28 November in the way that this scheme requires? If the political judgement is that this is possible - and it is certainly not hard to construct arguments to justify that approach - then there may be much to be said for signalling as much to our interlocutors. The idea will then either take wing or not.

6. But obviously HMG needs to be clear that it is prepared to modify its 28 November position, or at least to reinterpret it in what would be new circumstances. Without that it would be counterproductive to promote the idea. In other words, if the idea is to be taken further at all HMG needs to calculate carefully what its bottom line would be. That assessment would of course need the Prime Minister's personal approval.

7. If, in the light of the above, the Secretary of State thinks the idea should be taken forward at all I suggest that the next step might be for him to minute the Prime Minister. If he wishes, we can of course prepare a draft.

[SIGNED]

QUENTIN THOMAS
PD(L)
OAB 6447

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