

## An Chartlann Náisiúnta National Archives

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## **SECRET**

The Taoiseach and the British Prime Minister had a telephone conversation for about 20 minutes at 9.00 a.m. on 31 July, 1996. The following is a summary of the conversation.

The Prime Minister began by talking about his visit yesterday to Manchester to the area damaged by the recent IRA bomb. He was particularly struck by the fact that some of the damage done was permanent. 200 people had been permanently put out of business. The Taoiseach referred to his recent meeting with the Mayor of Manchester.

The Taoiseach then talked about the Belfast inter-party talks. The unionists had not been very forthcoming. The outcome of the talks so far could be described at worst as neutral and at best that some little progress had been made. Perhaps the unionists might be more inclined to enter into serious negotiations on substantive issues after the marching season had concluded unless, of course, the forthcoming Derry marches went wrong. The Apprentice Boys parade on 10 August was worrying. The Taoiseach said he understood that talks were now taking place at local level but it was too early to predict an outcome. It was his view that the Apprentice Boys should be allowed into the city and on part of the old wall but not on that part which overlooked the Bogside.

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The Prime Minister said that he was getting mixed reports on the likelihood of the local talks reaching agreement. Obviously a local solution would be best.

As far as the Belfast talks were concerned, the Prime Minister thought that the outcome could have been worse. The SDLP had been quite difficult.

The Prime Minister said that he felt that the Taoiseach should meet Mr. Trimble before the talks resumed. The Taoiseach agreed.

The Taoiseach pointed out that Mr. Trimble had, in Irish newspaper interviews recently said some appalling things which were particularly offensive to many people including to the Irish Government. Luckily, they hadn't been taken too seriously and had not been widely commented on. A potentially difficult situation had been averted.

The Prime Minister said that Mr. Trimble seemed to be desperately afraid of Paisley and the DUP. While his own personal inclination and that of a significant section of the UUP was in a centrist direction, he seemed obsessed with the danger of being outflanked by Paisley.

The Taoiseach referred again to the Derry situation. It was important at this stage to keep the focus on the local issues rather than allow an expectation to emerge that an overall solution to all contentious parades might be found in the next week. Sinn Féin people in Derry seemed to be arguing for the overall solution approach. This was highly unlikely in the available time. The Taoiseach speculated that he should try to make it clear publicly that an overall

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agreement was not immediately achievable and that the focus for the moment should be exclusively on the local agreement.

The Prime Minister referred to mixed signals about the possibility of a local agreement and wondered if Sinn Féin were deliberately focussing on an unattainable overall solution in the hope that the failure to achieve it would give them another Drumcree style boost.

The Prime Minister then went on to talk about the forthcoming informal European Council and said that it was not completely clear what was going to happen.

The Taoiseach said that the most likely scenario was that the Council would take place in November and that it would discuss IGC issues, particularly the CFSP and justice/home affairs. It was intended to provide an opportunity for a preliminary run over some of these issues. The Summit would not, of course, take decisions nor would there be a communiqué. There were still some arguments against holding such a Council. Some of the smaller countries tended to be less comfortable with these informal gatherings and might prefer that they did not happen. France continued to be the main advocate of having the informal meeting. They wanted a comprehensive agenda with all the IGC issues on the table and seemed to want to make progress on all of them. But it was not going to be that type of meeting. The consensus was for a more limited and less structured one. It was also likely that other issues, which could not wait until the formal December summit, would be raised.

The Prime Minister agreed and mentioned two issues which might need to be discussed. Fishing was getting very difficult and might not be able to wait until December. It might also be helpful to take stock on the single currency issue. Obviously some people would resist this but target date was getting very close.

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The Taoiseach said that it would not be helpful to flag in advance a discussion on single currency. The markets might react adversely. There was, however, no reason why the Prime Minister could not raise it towards the end of the meeting without giving advance notice. The topic was no doubt in everyone's mind, not least because it was the background against which many of them were preparing their 1997 budgets.

The Taoiseach went on to ask about British views on CFSP and defence. At recent EPP meetings which had attended, other Heads of Government were concerned about the likely British position. The Prime Minister said that their broad outlook was the same as that of the French. But any British Government, no matter who was Prime Minister, would be difficult for its EU partners.

Seán Donlon

31 July, 1996.

--- SCND SEC AI

## SECURE FAX

NO: 779

31 July 1996

NO. OF PAGES: 2

COPY TO: PST

TO: HQ

FOR: Second Secretary O hUiginn

FROM: Belfast

FROM: Joint Secretary

MR. P. TEAHON MR. S. DONLON MR. T DALTON

## Subj: Phone contact between Taoiseach and Prime Minister

- 1. I gather that a NIO speaking note prepared for the Prime Minister in the above connection contained the following key points:
  - The outlook in relation to the Derry parade is uncertain. Local agreement is being actively encouraged. The situation may become clearer in a few days.
  - The agreement on rules of procedure at the talks was an important achievement. George Mitchell deserves our congratulations. The protracted proceedings were unfortunately tedious but having agreed rules is important in itself - as is the very fact of dialogue.
  - The British Government are fully aware of the pressures which the SDLP have been experiencing because of their exposure to Sinn Féin.
  - The "address" to decommissioning was always going to be difficult.
  - How can the two Governments take matters forward over the recess?
  - It is very important that the Irish Government have direct contact with the UUP (painful though that may be).
- On the latter point, I have emphasised to the British the persistent efforts made by 2.

the Irish Government from the outset of these talks to arrange contact with the UUP. As recently as last Monday, we proposed a bilateral (despite the major disincentive represented by Trimble's weekend allegation about the Irish Government seeking "the blood of Orangemen"). Characteristically, this offer was spurned by the UUP.

3. On the question of what the two Governments might do, I suggested that there would be value in the British Government issuing over the next few days a strong statement which would make crystal clear that it stood by the succession of joint positions reached with us on how decommissioning should be handled at the talks. I underlined the urgent need to rebuild nationalist confidence in the viability of these talks against a background of the traumas of Drumcree and the Ormeau Road and recent Unionist efforts, not conspicuously resisted by the British Government, to revive decommissioning as a precondition for substantive dialogue. A statement in which the British Government would endorse the balanced approach to this issue in the Mitchell Report as the only way forward and reaffirm the series of inter-Governmental positions would be of assistance in this context.