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FROM: PS/MR SEMPLE
29 OCTOBER 1998

cc PS/Secretary of State (B&L) - O
PS/Mr Pilling (B&L) - O
Mr Jeffrey - O
Mr McCusker - O
Mr Stephens - O
Mr Hill - O
Mr Maccabe - O

PS/MR MURPHY (B&L) - O

**FM/DFM CONSULTATION MEETING WITH PARTIES RE DEPARTMENTAL
STRUCTURES - 29 OCTOBER 1998**

1. This is a brief note to confirm the read-out I gave to the Minister earlier today of my understanding of the progress made in the above meeting.
2. The meeting commenced late, at approximately 11.15, following a round of media doorsteps. David Trimble and Seamus Mallon gave a joint statement to the press prior to the meeting, presenting a cautious but optimistic lead-in to the meeting. Mallon emphasised his desire to see everything working as soon as possible, whilst Trimble stressed that he did not see firm decisions being made until at least next week.
3. The meeting itself was both workman-like and amicable with all parties engaging fully. Although the meeting was technically jointly chaired, Trimble took the lead and apparently did a very good job in keeping matters moving along and confirming agreement reached.

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4. It was evident that by the time the meeting broke up at approximately 1.15 real progress had been made with the basis of eight Departments having been agreed and the intention of a further two Departments (or portfolios) having been all but agreed. Only the UUP were holding out against ten Departments, with Reg Empey citing costs and disruption as their rationale for keeping the number of Departments down.

5. It would appear that a relatively broad brush approach was taken to secure agreement, with much work remaining to be done to colour in the detail of the placing of functions in Departments. In broad terms the following Departments appear to have been agreed in outline:

Agriculture (plus or minus Rural Development)
Economic Development (less the training aspect of T&EA)
Education & Training (including the training aspect of T&EA)
Environmental Protection/Natural Resources
Environment Infrastructure/Development
Finance (and Personnel?)
Health & Social Services (with a query over Social Security/Benefits)
Arts, Culture and Heritage (plus Tourism?)

There is still work to be done to identify the ninth and tenth Departments/portfolios.

6. I understand that most parties were prepared to unpick their original proposals and display some flexibility, however, of all the parties present the SDLP appeared to be holding firmest to their original proposals.

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7. The meeting closed with the prospect of being reconvened later this evening following a paper which would map out what had been agreed thus far and what still needed to be worked up. It is understood that this evening's meeting might commence at approximately 18.00 or 18.30.

8. Overall a useful and encouraging meeting with real work being carried out. Some interesting dynamics, including "banter" across the table between John Taylor and Mitchell McLaughlin, who were joking about the "massacre" of quangos that would be necessary!

9. It is hoped that a more comprehensive and definitive read-out can be given, either later this evening or early tomorrow morning. I would caution that the above is based on a very quick read-out given to me by John Semple and should not be taken as definitive.

DAVID CRABBE

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