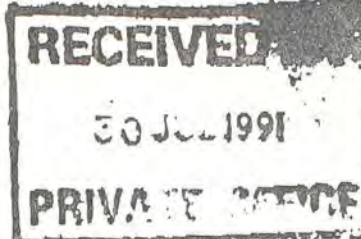


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Ref.A091/1909

MR WALLAnglo-Irish Diner

The Anglo-Irish Diner took place on Friday evening, 26 July, preceded by a bilateral between the Secretary to the Irish Government, Mr Nally, and myself.

2. I started the bilateral by explaining why we preferred to pursue the matters raised by the Taoiseach through the existing machinery of the Diner rather than setting up any new machinery. I also said that we would not want to make the Diner more formal, for example by setting up sub-groups, but I suggested that we should have a further meeting of the Diner before the meeting between the Prime Minister and the Taoiseach scheduled for the autumn.

3. Following the agreed speaking note, I said that we regarded, as the Taoiseach did, the talks process as a historic opportunity, which we did not believe it had run its course. I said that the Secretary of State would be making a speech on Monday expressing his hopes that, following consultations with the parties, it would be possible to get the process going again in the autumn. I asked Mr Nally what he could tell me about the Taoiseach's ideas for institutional, political and legal changes and how these fitted in with the current talks and the Anglo-Irish agreement.

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4. Mr Nally, who had had a preparatory meeting with the Taoiseach that morning, said that the Irish Government had supported and would continue to support the talks process. But they believed that the two Governments should in parallel consider what advances could be made if the talks were not successful. All previous advances had come from talks between the two countries. It would be wrong to give the Unionists a veto on such progress. As regards the directions which progress should take, Mr Nally said that the Taoiseach still had an open mind. He had taken careful note of the Prime Minister's reference at their Downing Street meeting to reconciliation between the communities, anti-discrimination measures, new institutions, a Council of Ireland, improved North/South relations and a replacement for the Anglo-Irish agreement, if something better could be found. Speaking personally, Mr Nally suggested that the Conference arrangements might be extended to cover matters of mutual interest to the two parts of Ireland, like European affairs and agricultural policy. He hoped that there could be more cooperation between local authorities.

5. I said that we too envisaged improved North/South cooperation, and there was provision for discussing such matters in Strand 2 of the talks process. We would want to keep in close touch with the Irish Government about the management of that part of the talks. But we did not believe that a long term and lasting settlement of the sort which the Taoiseach was seeking could be achieved by imposition on the Unionists. The weakness of both Sunningdale and the Anglo-Irish agreement was that we had not been able to carry the Unionists along with them. Our belief, fortified by what had taken place in Strand 1, was that there was a real prospect on this occasion of movement by the Unionists. But a certain way of destroying that would be to embark on a separate process between the two Governments which left the Unionists out. The prospects for success depended on political persuasion of all parties that they had something to

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gain, in which the Irish Government would have a crucial part to play in seeking to gain the confidence of the Unionists. Mr Nally did not dissent from any of this.

6. On other matters, Mr Nally confirmed - as the Taoiseach had done to HM Ambassador during his farewell call - that we should discount Mr Mulroney's message; when the Taoiseach had a message for the Prime Minister, he would deliver it direct. He added that what the Taoiseach had said about Sinn Fein was not based on the premise that PIRA were near to defeat: it was based on messages which the Taoiseach had been receiving that there was a growing element which believed that their best forward lay in the political process. He was under no illusion that this was a unanimous view, and there would certainly be some who would continue violence; but the movement would be split. I commented that, if some in Sinn Fein wanted to take the route back to normal political activity, the road had already been made clear to them.

7. At the Diner, conversation concentrated mainly on the resumption of talks, and the Irish side made clear their anxiety that any flexibility introduced in order to avoid putting a strait-jacket on the timing of the talks should not undermine the Anglo-Irish agreement. This will clearly be a central issue for them in the consultations leading up to resumption of the talks process. We agreed that the most likely time for a Heads of Government meeting was in November, but that a decision should be taken about this after the holidays in the light of progress on the resumption of talks. We also agreed that there should be a broad agenda, covering not only Northern Ireland political development, but European Community and international issues, and security cooperation. On the latter, Mr Nally commented that much more progress would be made with the Taoiseach if security cooperation was not emphasised in the public presentation of the talks.

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8. Overall, the atmosphere was very friendly and constructive. The Irish Government continue to be deeply suspicious that the motive of the Unionists in entering the talks process is to undermine the Anglo-Irish agreement and are anxious not to make any concessions which would help them to achieve that end. But they were talking for the first time at these Diners about what they could do to build up the confidence of the Unionists, and my impression was that at official level they understand that a separate talks process between the two Governments, which left the Unionists out, would end any prospect of carrying the Unionists with us.

9. I am copying this minute to the Private Secretaries to the Foreign and Commonwealth Secretary and the Northern Ireland Secretary.

FR.B.

ROBIN BUTLER

29 July 1991