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FROM: J R FISHER
ANGLO-IRISH SECRETARIAT
14 May 1997

ASST SEC 16 MAY 1997
CENT SEC

UNDER SEC 14 MAY 1997
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423/97

- cc PS/Secretary of State (B&L)
- PS/Mr Murphy
- PS/Mr Ingram
- PS/PUS (B&L)
- PS/Sir David Fell
- Mr Carvill
- Mr Gowdy
- Mr Loughran
- Mr Semple
- Mr Small
- Mr Spence
- Mr Thomas
- Mr Steele
- Mr Bell
- Mr Leach
- Mr Stephens
- Mr Watkins
- Mr Beeton
- Mr Brooker
- Mr Hill
- Mr Maccabe
- Mr Perry
- HMA, Dublin
- Mr Lamont, RID
- Mr Warner
- Ms Healy

C

*1. cc to [unclear]
in [unclear]*

*Mrs [unclear] 16/5
[unclear]
LD 1575*

NOTE FOR THE RECORD

SIR DAVID FELL'S DINNER AT MARYFIELD

Sir David Fell had dinner with the Irish Secretary, Mr Donoghue, at Maryfield on 8 May. Mr Dowling and Mr Hackett (both DFA) and Mr Magner (Department of Justice) attended the dinner; Mr Bell, Mr Fisher and Mr Maye were also present.

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SUMMARY

2. Irish side hopes that the occasion would provide them with an insight into the new administration's policies and spending plans were premature. Their particular interests and expectations (reinstating cuts in the ACE programme, boosting the education budget, changes in fair employment law and funding for Springvale Project) were apparent but many subjects (parades, public appointments and RUC reform) failed to rate any mention. Future constitutional and political arrangements dominated discussion, along with speculation about the likelihood of a genuine IRA ceasefire.

DETAIL

3. The General Election and the depleting effect it had had on those members of the main opposition with NI experience was passed over quickly with some Irish side interest expressed in what the outcome of the Election meant for the hitherto bipartisan approach to NI affairs. There was evident Irish disappointment at the outcome of voting in the West Tyrone, Belfast East and North Down constituencies followed by speculation over whether Sinn Fein's success would encourage the party towards the democratic path or simply intransigence. There was some Irish side recrimination that the poor performance of the SDLP reflected a failure (by the British side) to produce enough measures (through the medium of the Anglo Irish Conference) to meet moderate nationalist opinion. But there was round the table agreement that, whether perceived or not, Anglo-Irish relations generally now stood at their best for very many years.

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[REDACTED] Still on elections, and with the latest opinion polls available, the Irish side were agreed that the re-election of the present Government coalition now appeared to be in jeopardy. The Labour party would lose seats with a strong possibility of a hung Dail, the support of the Greens and Independent members becoming crucial. And, worth recording, it was said that steps were already in hand for the present Irish Department of Equality and Law Reform to be re absorbed into the Department of Justice.

5. The Irish side were interested in the distribution of portfolios between NI Ministers and the thinking which had influenced this. (Why, for example, had training and employment responsibilities been separated from those of DED?) They also noted the particular portfolio mention made to co-operation between NI and the Republic of Ireland and that (save in relation to political development) this responsibility would now rest with one Minister. There was also much probing about the new Government's likely policies in a range of areas. The heavy agenda of meetings the new Secretary of State had engaged in were described but the Irish side were probably frustrated that more could not be said about the new administrations's future policies, especially in relation to public spending. It was acknowledged that education, long term unemployment and equality issues had been flagged as particular concerns but it was too early to offer views on whether the ACE Scheme, the education budget (teachers' pay and the fabric of schools identified) or Health Services (and savings brought about by changes in the structure of its present administration) would

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Benefit, and to what extent. Anxious to identify whether shifting spending priorities might help meet nationalist aspirations, the Irish side were told that no additional funds were being made available to NI (beyond those which might arise through the 'windfall tax'), and it had to be remembered that public expenditure in NI already had higher public spending per head than other parts of the UK.

6. As to equality issues, the Irish were told that SACHR were expected to produce their employment equality review in about mid June. In response to the Irish side suggesting that SACHR might recommend that PAFT be placed on a statutory footing, and made subject to statutory consultation, Sir David referred to what had already been made public on this subject and warned of the dangers it could have, on certain models, for 'paralysing' Government administration. He went on to speculate what might be in the Report such as extending present fair employment legislation to include goods, services and facilities and changes to the operation of the tribunal system and that SACHR might even be tempted to recommend that a single anti-discrimination enforcement agency be established. No advance commitment could be made in relation to the Government's likely response; one way forward might be to issue a public consultation document, though Ministers might equally want to proceed straight to legislation.

7. As to another Irish hobby horse, namely Springvale, the University of Ulster (UU) and BIFHE were now more closely engaged than hitherto but there were still difficulties. The UU had to decide whether or not to commit £8m to refurbish the College of Art and Design and the Millennium Fund would have to make a decision later this year on UU's bid for the Virtual Campus and the Community Outreach project. The Springvale project was a costly one and it

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they well turn out that rather than adopting the 'big bang' approach, an incremental one might be preferred.

8. And, finally, the Irish side were anxious to know whether District Councils were to be given additional powers. Some of the suggestions currently being circulated (including American style direct elections for Chairmanship of the Councils and changes in membership of, and more transparency for, QUANGOS) were mentioned, but no firm views emerged on either side.

9. The rest of the evening was devoted to discussing political development. Picking up and building on sentiments expressed by Seamus Heaney quoted by the Taoiseach in his recent address to the Oxford Union, both sides were at one over the eventual solution for NI. This was, as Mr Donoghue put it, 'NI remaining in the Union but Nationalists being able to feel at home' with the Irish side confirming that this meant something like Frameworks "plus" on the Irish side or "minus" on the Unionist side. Both sides agreed on the need for a Liaison Group meeting the following week (now provisionally fixed for Friday 16 May) at which the Irish side would (with some reluctance) respond to the latest British proposals especially in relation to decommissioning. The Irish side, marked up that the 'loop' proposals (which required decommissioning talks to be revalidated periodically in plenary) were unacceptable but that other proposals in relation to the Chairman signifying when decommissioning might start was more open to negotiation. According to the Irish side, the Liaison Group would need to be followed up by a Ministerial meeting ('Adare format' if only a political agenda were involved) by 20 May (some flexibility on this deadline has since been indicated). Making no bones about it, the Irish side saw electoral advantage in an early meeting but no advantage in the recommencement of the Talks (on 3 June) being put back. The next

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100 would fall on the other side of the possible 6 June Irish General Election. Subsequent discussion with and between members of the Irish side threw up the possibility that the Irish General Election might be deferred to 13 or 20 June to enable (unspecified) 'social' legislation to be passed.

10. As to a ceasefire being announced by PIRA by 3 June, the Irish side said frankly (but privately) that notwithstanding public comment on their side they had received no indications that there would be such a ceasefire by that time. It was agreed that Sinn Fein were therefore effectively excluding themselves from the Talks process, for the time being, not the two Governments. The continuing joint approach by both Governments was emphasised. However, although both Governments were signed up to an inclusive process, both were also willing to proceed without the participation of Sinn Fein and Mr Donoghue drew attention to the recent statement made to this effect in the Dail. However, the Irish side equally drew attention to the fact that the SDLP were unlikely to feel confident of reaching agreements in the Talks without Sinn Fein participating and, as Sir David Fell said, 'on some days' the UUP also realised this but equally could use it as a device to block progress.

11. In an analysis of Republicanism in general and Sinn Fein/IRA in particular, Mr Magner questioned whether even Sinn Fein's electoral successes would be sufficient to persuade the harder men in the IRA to go for another ceasefire. It was far from clear to them what the Talks Process had to offer. He conceded, however, that, from the Irish perspective PIRA support was strongest in border areas and in Leitrim and Dublin but not Belfast, RUC/Garda co-operation was good. Mr Magner said that no amount of careful examination of PIRA positions would help predict what might bring

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about a ceasefire (there was broad agreement that a 10% or more rump of PIRA supporters would never be won over) but that (especially in Mr Donoghue's estimation) Gerry Adams and Martin McGuinness had democratic leanings and both they and their close supporters were capable of being coaxed to the negotiating table. If this occurred, both the Irish side and Sir David agreed that the DUP would promptly leave the Talks (and there was a majority Irish acceptance that public disorder could ensue). Mr Donoghue believed, however, that the DUP would always eventually return to negotiations and might never be far from them, even in the next room. The position of the UUP and that of David Trimble in particular was discussed. Sir David asked the Irish side what confidence building measures might persuade the UUP to remain in the Talks. Were changes to Articles 2 and 3 (perhaps to include a consent provision) a measure which the Irish side could offer up? Mr Donoghue rejected this: constitutional changes previously made in relation to the role of the Catholic Church in Southern Ireland (which it might have been expected would have been welcomed by Unionists) had resulted in no reciprocity. Both the British and Irish sides were in difficulty at knowing what might be offered to Unionists (perhaps, the Irish suggested, a Bill of Rights) but, in any event, Mr Donoghue was against what he saw as a 'see-saw' approach with CBMs being offered to both Nationalists and Unionists. It suffered the inherent danger of both sides weighing up the concessions being won by the other side, and each demanding more. Moreover, Mr Donoghue felt that there were 'principles of fairness' which Unionists simply had to accept. HMG should tell them that. The British side pointed to the dangers of lecturing Unionism. Sir David said that Unionists knew that to enter meaningful negotiations meant concessions on their part. They were anxious to avoid any drift which benefited Nationalists, because they saw it as part of the slippery slope which could lead to union with the Republic of Ireland. But no

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Further ideas were volunteered by the Irish side which might advance our thinking in this area.

12. The evening ended amicably not far short of midnight with the invitation extended to Sir David to dine again at Maryfield in the near future. With such good rapport established, self evidently it would be good for Anglo Irish relations if this were possible.

(Signed)

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