FROM: P N BELL

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N.I.O. BELFAST

Mr Budd, Cabinet Office

Mr Campbell-Bannerman - B

Mr Leach - B Mr Watkins - B Mr Hill - B

Mr Beeton - B

(via IPL) - B HMA, Dublin - B Mr Lamont, RID - B

cc PS/PUS (B&L) - B PS/Sir David Fell - B Mr Thomas - B Mr Maccabe - B Mr Lavery - B Ms Checksfield - B Mrs Rogers - B Mr Whysall - B

MR STEPHENS

## EAST/WEST ISSUES - NOT FORGETTING THE PARLIAMENTARY DIMENSION

The rear echelons had, as I mentioned at this morning's Ministerial meeting, a most successful meeting yesterday in determining and commissioning work that needed to be done to provide the 'three strands' with papers for discussion, should we get that far by early

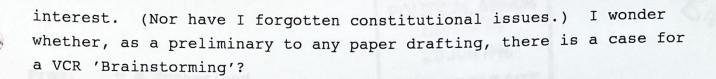
During our discussion we inevitably touched on Strand 3 issues and some of the points covered in my minute to you of 18 June (not to all). Two to emerge then were, first, the Irish preference for the status quo (e.g. Anglo-Irish Agreement much as it is at present, but with representatives of the NI administration there) tempered on the other hand, by a Unionist preference for something more on a "Council of the British Isles" lines and, to the extent that my own analysis is correct, the fact that the Anglo-Irish bi-lateral relationship in respect of Northern Ireland will have

changed, changed utterly if we arrive at anything like a settlement broadly on the lines of 'Frameworks' so that, like it or not, more radical thinking will be forced upon us. (From a slightly different starting point, you may have seen Friday's 'Belfast Telegraph' suggesting those in Maryfield were working ourselves out of a job...).

- 3. Although strategic thinking may not be the DFA forte, there are some signs that the Irish may be coming to similar conclusions themselves (or perhaps they have just re-read para 43 of 'Frameworks'). And we know the importance that the Taoiseach personally attaches to developing East/West relations more generally on which we may still reasonably hope to build (his heart is in the right place as well on constitutional issues as the Ambassador has reminded us). I wonder whether, with the help of our FCO colleagues, we might investigate what is to be learnt from successful models of collaboration and co-operation elsewhere in the Western European world: I have in mind, for example, the Nordic League, Benelux, and whatever it is French and Germans do together. I also look forward to the Ambassador's promised thoughts on 'thickening'.
- hope we could do better than the NIPB I do not myself think, although the initial spadework seems more in this case for CPL, we should exclude in this context even perhaps at this early stage, further imaginative thinking about the nature of links between the Westminster Parliament and any new Northern Ireland institutions - where many of the same considerations would apply as those I identified in my minute of yesterday, and having regard to where these might fit more generally into a new E-W relationship. Assuming the new dispensation in Northern Ireland was working well (any breakdown in post-Settlement institutions would generate intense, renewed Parliamentary interest - and the resumption of both existing (and new) responsibilities, and that there was legislative as well as executive devolution on transferred matters, there could be little for Westminster to do in respect of Northern Ireland that was specific to the Province eventually include finance, rights, and the RU dimension,

except, and it is an important exception, in regard to public finance. Put differently, the Northern Ireland Committee, the Northern Ireland Select Committees, the Northern Ireland Grand Committees might have very slim agendas certainly once "reserved" matters revert to Belfast - (which I see, no doubt wrongly, as being sooner rather than later). This may be an argument for distinguishing between Medium and Longer Term arrangements. These are points, of course, recognised in our existing excellent Negotiating Brief.

- 5. On the other hand, as Northern Ireland will remain part of the United Kingdom, the Province will continue to be represented at Westminster with Unionists refusing, one suspects, to accept any reduction in representation in respect of devolution, while Nationalists, bearing in mind the experience of Stormont, will almost certainly try to secure a safety valve enabling NI business (what business? what constraints?) to be raised at Westminster.
- 6. At the same time, it is hard to envisage a comprehensive settlement without some Parliamentary dimension involving elected representatives from all the jurisdictions involved where some might hope we could do better than the NIPB.
- 7. In short, and at the risk of sounding like Mr Trimble, this points, I suggest, to a more 'holistic' approach across the strands. Which brings us back to thinking more imaginatively about new institutional relationships (executive, administrative, and Parliamentary) of a kind where we may learn from overseas precedents.
- 8. As we agreed yesterday, while it is clear that we can prepare for Ministerial approval papers on a very wide range of subjects helped in many cases by the ideas generated in the 'Frameworks' exercise as well as the precedents of the 1991/2 Talks there do remain a number of areas on which officials need to clarify our own ideas before submitting Talks papers to Ministers. Such areas include those I have listed above. They will also, I believe, eventually include finance, rights, and the EU dimension, which are all areas in which there also is a warm and abiding wider Whitehall



(Signed)

P N BELL T Leach (Lab) - B

P.S. I have now seen the Ambassador's helpful note on some of this to Mr Thomas. Far from underestimating the viability of depth of the thickening exercise, I am merely illiterate. For 'discrete', I moronically wrote 'discreet'. A major indiscretion.

erticles 2 and 3 in a way which the territorial claim.