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PS/Sir David Fell - B  
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Mr Leach - B  
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Mr Stephens - B  
Mr Hill - B  
Mr Campbell Bannerman - B

SECRETARY OF STATE (L&B) - B

NORTHERN IRELAND: FUTURE POLICY OPTIONS

John Holmes' letter of 18 July asked for a "quick and dirty" review of the main policy options we found ourselves faced with increasing violence and the collapse of the current negotiations.

2. I attach a draft paper which we could send to No 10 for this purpose. It deliberately does not review options on security policy, since those have very recently been gone over by NI Committee who put some further work in hand. It therefore concentrates on our options for pursuing the political process by other means.

3. This exercise has not, I fear, identified the Northern Ireland equivalent of the philosopher's stone. By looking at the alternatives, however, it does help to identify the importance of making progress in the current negotiations, if we can. The collapse of the negotiations would lead to polarisation, recriminations and increasing violence: all of which provides a bad backdrop for attempting to restart the political process.

4. The options in the attached paper offer a range of positive courses of action which the Government could pursue. But none - with the exception of the last, pursuing a settlement via a referendum - offer an alternative political process. Without the incentive of a political process which they can join, it is difficult to see any reason why Sinn Féin would want to secure an IRA ceasefire. The talks process can continue without a peace process; but there can be no peace process without the promise of some form of talks process as well.

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5. There is one issue which the paper only briefly touches on - decommissioning. In the wake of Drumcree, there has been widespread comment that the "terms of trade" on this issue have fundamentally altered. That may or may not be true - the Irish Government have not yet given any sign of resiling from the Mitchell report and the importance of the issue for unionists remains as high as ever. But if, as moderates such as Dr Alderdice now suggest, Drumcree has rendered any prospect of decommissioning during negotiations undeliverable, then we may need to look at whether there are any alternative approaches which could deliver the political confidence which lay behind the request for decommissioning. I do not under-estimate the political difficulty of this, but it might be sensible to give some thought to it in case the political consensus behind parallel decommissioning has indeed been shattered. I doubt this should be reflected in this exercise for No 10, but a discussion with Ministers would be helpful.

Signed

JOHN CHILCOT

23 JULY 1996

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## NORTHERN IRELAND: FUTURE POLICY OPTIONS

Scenario

This paper assumes the current negotiations collapse, very possibly with a resurgence of violence in Northern Ireland on all sides.

2. One element of HMG's policy would be an appropriate security response. Possible options were examined by NI Committee on 9 July. This paper does not go back over that ground, since NI Committee agreed that the purpose of any new security measures would be to support the political process which represented the best long-term strategy for overcoming terrorism.

3. The focus of this paper is how, if the current negotiations collapse, to maintain the political process.

4. This paper also assumes that the principle of consent, which underlies the constitutional guarantee, remains the foundation of Government policy, and therefore does not examine options in conflict with it.

Menu of options

5. What follows is an analysis of the areas of political policy that offer a positive agenda for action, if the negotiations collapse. Almost certainly, in the interests of balance, the Government would want to take action in more than one such policy area. They are not mutually exclusive.

(i) Improve direct rule

6. The search for a political accommodation could be put on hold. Direct rule would continue but with a positive agenda of democratic enhancement, such as:

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- more powers for local government possibly with some encouragement for power-sharing and for neighbouring councils to co-operate on strategic issues;
- more Parliamentary scrutiny: more legislation by Bill, enhanced powers for NI Grand Committee;
- an Advisory Council (perhaps a continuation of the Forum?) of local politicians to assist Ministers.

7. Democratic enhancement is difficult to argue against: all sides agree there is a democratic deficit. But the further it was taken, the more it would tend to pre-empt any eventual negotiated settlement.

8. On its own, this sort of approach points to an internal solution - attractive to unionists but profoundly unattractive to nationalists, with no prospect of a renewed ceasefire.

9. But it could be combined with a parity of esteem agenda and continued Anglo-Irish co-operation to help preserve balance.

#### (ii) Parity of esteem

10. HMG is already committed to this. With no negotiated settlement to give both communities a share in responsibility, more emphasis could be given to parity of esteem measures in operating direct rule, such as:

- reform of flags, symbols etc (unwelcome to Unionists);
- Bill of Rights;
- radical police reform to overcome unacceptability to nationalists (if sufficient for that purpose, profoundly unwelcome to Unionists);
- tribunal to adjudicate on marches.

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11. This could be presented as a positive programme to address perceived unfairness between the two communities. But, on its own, it would further alienate unionists without, in the absence of an overall settlement, successfully reconciling nationalists to remaining part of the UK.

(iii) Anglo-Irish co-operation

12. HMG remains committed to the Anglo-Irish Agreement, the Joint Declaration and (though not as a blueprint) the Joint Framework Document. Whatever the difficulties of achieving agreement among the parties, we have successfully achieved a series of agreements with the Irish Government. We could take that process further forward:

- continue to work the Anglo-Irish Agreement;
- develop more North/South co-operation, possibly setting up some joint executive bodies or the shell of a North/South body as envisaged in the Framework Document;
- develop with the Irish Government a Frameworks 2 (as suggested by the Taoiseach) either to implement or to present to the parties/people.

13. This is a deliverable agenda. But, on its own, it offers no positive involvement for the parties in Northern Ireland and would confirm many unionist fears, quite possibly generating massive opposition.

14. To help keep a balance however, it could be combined with democratic enhancement in Northern Ireland and/or constitutional reform - particularly amendment of Articles 2 and 3 of the Irish Constitution.

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15. A radical alternative would be to abandon efforts at Anglo-Irish co-operation by abrogating the Agreement. Unionists would be delighted, but nationalists wholly alienated. Any hope of an IRA ceasefire would be lost. HMG would be free from the constraints working with the Irish Government sometimes imposes, but the Irish Government would equally be free to criticise without constraint. Security co-operation would be badly hit. Internationally, HMG would lose the support which working with the Irish Government brings, notably in the United States of America.

(iv) Constitutional reform

16. The principle of consent is now universally accepted (with the possible exception of Sinn Féin). That could be cemented by a balanced package of:

- amendment of Articles 2 and 3;
- reform of the Government of Ireland Act 1920.

17. This would reduce uncertainty over the constitutional position, reassuring unionists who would (though without real justification) oppose any change to the 1920 Act. It would remove some objections to closer Anglo-Irish co-operation.

18. It would be difficult for the Irish Government, already committed to reform by the Framework Document, to argue against. But, without an overall settlement endorsed by nationalists in Northern Ireland, a referendum in the Republic could have an uncertain result. Difficult constitutional legislation in the last months of the Westminster Parliament might be uncertain.

19. A border poll under the existing legislation could be another option, either on its own or as part of wider constitutional reform. But a border poll will tell us nothing we do not already know; does little to reassure unionists and nothing for nationalists, who would very likely boycott it, as last time.

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(v) Continue to pursue a political accommodation

20. Negotiations have failed before, but we have repeated our commitment to the process and picked the threads up again.

21. We could simply try again to get the parties round the table to negotiate a comprehensive settlement. But in the short-term, that looks implausible in the immediate aftermath of the collapse of one set of negotiations.

22. We could sit tight, repeat our aspiration to a negotiated settlement but engage only in bilateral contacts with the parties until the time seemed right for a fresh attempt. Many would interpret that as doing nothing until after the general election.

23. We could pursue a settlement via a referendum, going over the heads of the parties. This would involve:

- constructing an overall package with the Irish Government (Frameworks 2);
- consulting the parties as we went;
- including Sinn Féin if they declared a ceasefire and signed up to the Mitchell principles (but without requiring decommissioning because these would not be negotiations as such);
- putting the outcome to parallel referendums, North and South, with a commitment to implement the package if it secured widespread support.

24. This has the advantage of continuing to pursue an overall settlement; it offers a pro-active response to the collapse of negotiations; the parties can still be involved if they choose, but

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cannot collapse the process; there is still a political process to attract Sinn Féin to secure an IRA ceasefire; with the right balance, all sides might acquiesce in a package they could not bring themselves to negotiate directly. Existing powers for a referendum could be used.

25. But it carries risks. It would appear to override the first of the triple locks (agreement of the parties), albeit after the parties had been given every opportunity to reach agreement. Unionists would see the process as unbalanced, with HMG maintaining impartiality while the Irish Government batted for nationalists. Without the parties having shaped the package directly through negotiations, any referendum could be divisive and uncertain. HMG would take much of the strain for coming up with a balanced package likely to deliver consent; rather than attracting acquiescence, it could be attacked from all sides.

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