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FROM: D J R HILL  
POLITICAL DEVELOPMENT TEAM  
30 JULY 1996

- cc: PS/Secretary of State (L&B) -B
- PS/Michael Ancram (L&B) o/r -B
- PS/PUS (L&B) -B
- PS/Sir David Fell -B
- Mr Legge -B
- Mr Bell -B
- Mr Watkins -B
- Mr Steele -B
- Mr Stephens -B
- Mr Maccabe -B
- Mr Lavery -B
- Mr Currie -B
- Ms Harrison -B
- Mr Whysall -B
- Mr Campbell-Bannerman -B
- Mr Lamont, RID -B
- HMA Dublin -B
- Ms Collins, Cab Off (via IPL) -B

Mr Thomas - B

TALKS: CONVERSATION WITH REG EMPEY, 30 JULY

Summary

I had a long chat with Reg Empey this morning. He is, typically, looking ahead in an attempt to identify constructive ways forward, but was not optimistic. Some of his ideas may merit further consideration: he would probably welcome a further chat with one or other of us in a few days' time.

Detail

2. Mr Empey was broadly content that the talks had been "parked" for the Summer, acknowledging that the atmospherics had become "toxic". He again drew the lesson that the bad feeling of the previous day had been largely caused by the raising of inflated and unrealistic expectations (by the Irish Government and SDLP in particular, but also HMG) and the hectoring but dismissive tone which Mrs Owen had employed last week.

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3. One of the problems, he felt, was that the Irish Government seemed to believe that once they had negotiated something with the British Government, that was the end of the matter. The "poor benighted heathen" simply had to accept it. The experience of negotiating the rules of procedure should have showed them the falsity of that proposition. We had emerged with some solid, fair rules of procedure to which everyone was committed, and yet the Irish seemed disappointed and let down because they had not got their original procedural guidelines adopted. They needed to understand that the decommissioning issue needed to be handled in the same way. In discussion he agreed that it was not beyond the bounds of possibility that the parties could be persuaded to agree to a proposition similar to that set out in the two Governments' Opening Scenario paper (ie a sub-committee to work alongside the three strands); but that would need to be negotiated, not imposed, and some greater clarity would be required on what was entailed. (See also below).

4. He also felt that the Irish completely failed to understand the political pressures on the UUP, which dictated their approach to the decommissioning issue. He had heard it argued that as Sinn Fein were unlikely to be present there was no need for Unionists to worry about the approach to decommissioning. That failed to reflect the absolute political requirement for the UUP to have an answer to the "what if?" question. They would also need political cover if Sinn Fein were to join the talks at any stage: he was used to dealing with Sinn Fein on Belfast City Council but some of his colleagues and even more in the DUP and UKUP would feel genuine physical revulsion at the thought of participating in political negotiations with representatives of the Republican Movement. Dealing with them on local government issues was bad enough; tackling "constitutional issues" would be very difficult to swallow. The risk was that the DUP and UKUP would almost certainly leave the talks if Sinn Fein joined them and the UUP would then need to be able to point to "something" on decommissioning (which went beyond mere commitment to the Mitchell principles) to justify staying.

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5. Another problem we jointly identified was the lack of clarity over exactly what the various sides - especially the two Governments and the UUP - were proposing. Leaving aside the potential for confusion over the use of similar terms to mean different things, there was a deeper problem in working out what substantive "action" on decommissioning each side had mentally assigned to particular phases of the talks. We did not crack the problem between us, but he said the UUP would continue to think through and identify what substantive steps they felt should be taken before the strands could be launched. He confirmed that they were not looking for a start to actual physical decommissioning in advance of the three strands; and he acknowledged that a start to actual physical decommissioning was at best "some months" down the track, if only because the legislation and any verification commission would not be in place before then. His fullest definition of what the UUP needed to see emerge from the opening plenary's "address" to decommissioning was "a clearer idea of what is being proposed"; the two Governments' three item terms of reference for the proposed sub-committee was "insufficient"; the UUP needed to have a better understanding of what the legislation would look like, how the verification commission would work, its terms of reference and so on. [He did not mention scheduling or bench-marking, and I did not ask].

6. He acknowledged that the fundamental problem was the level of suspicion and lack of trust. I mentioned that we had encouraged Mr Trimble in his thought that it would be desirable to have a meeting with the Irish Government, as a step towards tackling this. He agreed it would be worth doing, but pointed out that it could not happen before Mr Trimble's return in mid-August.

7. As to the overall prospects for the negotiations, Mr Empey was not optimistic. The Apprentice Boys parade on 10 August could go badly wrong. [In a lengthy aside on Drumcree, and without directly criticising the Orange Order, he showed that he felt this had been an unmitigated disaster all round: the only scrap of silver lining he could see was that Southern politicians might now

realise that Northern Ireland would be ungovernable on their [own] terms]. The Provisionals were in the wings and while the politically astute thing for them to do was to declare a ceasefire or at least avoid a resumption of serious terrorist attacks, that kind of consideration had not seemed to weigh very heavily with them in the past. Even if the talks survived the summer there would then be a very narrow window of opportunity - perhaps to the end of the year - before electioneering began in earnest and any prospect of sensible engagement would end.

8. [He was separately concerned, from a political perspective and because of the risk of voter confusion, that the UK General Election would be called for the day of the local government elections in England and Wales at the beginning of May 1997. The Northern Ireland District Council elections, using a completely different electoral system, would take place a fortnight later. Any uncertainty caused by the UK election would be magnified in the final two weeks of the Northern Ireland campaign, with unpredictable results].

9. As regards making use of the window of opportunity he speculated about the possibility of leaping straight to the endgame and persuading everyone to table their "bottom line" positions. He felt such a "blockbuster" approach would polevault us straight into the heart of the issues and avoid months of tortuous wrangling over details, during which the atmosphere would continue to deteriorate. I pointed to the arguments for nudging people into the zone of convergence first and for involving all sides in exploring areas of disagreement and building up areas of agreement so that the need for compromise and the opportunities for trade offs became gradually apparent and everyone was intellectually and psychologically prepared to cut the final deal. He acknowledged the point but said the key players had had five years of that already. I wondered whether people would be prepared to move direct to their bottom line positions, especially in a pre-electoral period, and how everyone could be given confidence that the other participants had done so. He acknowledged that as a problem, but said he would give it more

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thought. [A further difficulty, of course, is that any "window of opportunity" might be further narrowed by failure to reach early agreement on how to handle the approach to decommissioning, but it would have been churlish to point that out.]

10. Meanwhile, in talking about the various parties' bottom line positions, he gave me a most interesting perspective on the Unionist view of the Framework Documents. He assumed that the two Governments and the SDLP would put forward something on those lines in any "blockbuster" endgame. Leaving aside all the "green rhetoric", Reg said that Unionists essentially had "one and a half problems" with the package envisaged in the Framework Documents:

- (a) the main and absolutely overriding objection was to the creation of all Ireland institutions with executive powers. That would be to create a "third government" on the island, operating on an all-Ireland basis. It would constitute a one-way street to a united Ireland, and it was completely unacceptable. [One possible implication of his argument here was that if the executive powers delegated to any all-Ireland institutions were capable of being recovered to the regional authorities in Northern Ireland, in the light perhaps of changing circumstances, that would be more acceptable];
- (b) the other problem was the nature of any replacement for the Anglo-Irish Agreement. Unionists resented the exclusive focus of the current Agreement on Northern Ireland. Any new Agreement needed to be broader and have a UK-Republic focus.

11. I noted that we would not expect the UUP to prepare a bottom line position paper which started from the Framework Documents and indicated the areas in which they would like to see changes, but encouraged him to think that a readiness to be upfront with the Irish about their objectives, in such terms, could be very helpful.

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12. Mr Empey has of course taken his holiday and will be around throughout August. I said you or I would be happy to have a further chat and he seemed very disposed to take us up on that. I also mentioned that Mr Maccabe and PAB would be available.

From the Private Secretary

*See meeting*

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MEETING WITH THE LOYALIST PARTIES, 22 JULY

The Prime Minister met representatives of the two Loyalist parties, the Progressive Unionist party (PUP) and the Ulster Democratic Party (UDP) for about 30 minutes on 22 July. Hugh Smyth and David Ervine, represented the PUP and Gary McMichael and John White the UDP. Although there had been hesitation from both parties in advance about coming to the same meeting, in practice they seemed to work as a team during the meeting, and it was noticeable that the two representatives of each party did not insist on sitting together. Sir John Wheeler and Jonathan Stephens were present on our side.

After welcoming them to Downing Street, the Prime Minister said that it was the Loyalist ceasefire which had made the meeting possible. He was grateful for the efforts of the Loyalist parties in establishing a ceasefire and in maintaining it. The breakdown of the IRA ceasefire had caused immense damage. He was well aware of the pressures that this had created on the Loyalists and was doubly grateful for the restraint they had shown, and the way in which the Loyalist parties had contributed constructively to the talks. It was difficult to be sure what the IRA would now do. He assumed they would conduct more attacks. But there was also a recognition on the part of at least some in Sinn Féin of the damage that the abandonment of the IRA ceasefire had done. Unfortunately, the events surrounding Drumcree had provided a boost to the IRA cause. They must have been rubbing their hands in glee. In any case, the Government were tackling the threat of IRA terrorism with all possible vigour, as the recent arrests in London showed. Meanwhile the peace process was in jeopardy because of the two setbacks of the IRA ceasefire and Drumcree. What was needed now was not soft words, but action to jolt the Belfast talks back into life this week.

Smyth said that he was grateful for the opportunity to meet the Prime Minister not least because he involved some political risks. He fully agreed on the urgent need for progress in the talks. McMichael said that he was also grateful for the meeting. He was concerned that it was

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