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difficult (though he could be interesting the present circus tances), and you weed only by to a quick glance at this. Useful badyround ister on Aldedice's recent inclus in the highlighted paragraphs one leaf.

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Des John, Sperific issue of Springvale comprise. Paul drupply can deal with the detail of this.

PRIME MINISTER'S MEETING WITH LORD ALDERDICE

The Prime Minister is to see Lord Alderdice at 2.30 on Monday 1 September. It will be their first meeting since 19 May. Lord Alderdice will be accompanied by his deputy, Seamus Close. Paul Murphy will attend to support the Prime Minister.

Yesterday's fax from Lord Alderdice's office sets out the topics which he wishes to cover. He has since rung Paul Murphy's office to express concern about the interpretation being put on the Secretary of State's comments about the principle of consent in a Belfast Telegraph interview published yesterday. Separate lines to take on consent, BSE and Springvale are attached.

Although no longer one of the four largest political parties in Northern Ireland, the Alliance Party remains one of the most constructive forces in Northern Ireland politics and their views and criticisms (whether of nationalists, Unionists or HMG) tend to carry weight, coming from a neutral corner. It is therefore important to keep them on side.

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During late June/early July the Alliance Party were restive and critical of the Government. This arose from a perception that they were being ignored by Government, both in relation to the marching issue (where the focus was on the Loyal Orders and residents' organisations) and the talks (where the focus was on bilateral meetings between the Governments and with the UUP). The Prime Minister also had a number of meetings with John Hume and met the DUP: Lord Alderdice clearly felt "left out" and was irascible and critical as a consequence.

More fundamentally, the Alliance Party does have serious reservations about the general thrust of Government policy. Having joined in discussion with Sinn Féin at the Dublin Forum for Peace and Reconciliation (1994-96) they do not believe the Republican Movement is committed to a peaceful resolution of the situation in Northern Ireland or will ever accept the principle of consent. They have been critical of what they see as the Government's fixation on securing an IRA ceasefire; and of the two Governments' failure to challenge breaches of the Loyalist ceasefire. They regard it as essential that all parties engaged in the talks should be forced to live up to their commitment to the Mitchell principles. Seamus Close is particularly strong on this point.

Basically the Alliance Party does not believe that the main Northern Ireland parties are <u>capable</u> of negotiating a satisfactory political settlement, especially with Sinn Féin and the Loyalist parties directly involved. They wish it were possible to build an agreement involving the two Governments and the relatively moderate parties (UUP, SDLP, Alliance) and <u>then</u> try to secure support from the extremes. Their fallback position is that the two

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Governments should take the lead in developing a set of proposals to be put to the people in a referendum.

On decommissioning, the Alliance Party supports the two Governments' proposals and has been critical of the Unionist parties for their approach, which Lord Alderdice would argue runs the risk of ensuring that decommissioning only happens in return for political concessions. He has suggested that progress on decommissioning should be viewed alongside progress on confidence building measures (prisoner issues, de-escalatory security measures etc).

## Handling the meeting

The Prime Minister might invite Lord Alderdice to begin by setting out the Alliance Party's view of progress since May. That should lead into a discussion of the Government's overall approach to the negotiations, during which the Prime Minister might make clear that we have no illusions about the difficulties and dangers of dealing with the Republican Movement. He might also point to the political reality that the Irish Government and SDLP (whose support is essential for progress) were only going to engage in the talks process if Sinn Féin were given a fair chance to participate. Lord Alderdice would probably agree that there is no real basis for the paralysing lack of Unionist self-confidence which is the real obstacle to progress, but may have suggestions on what could be done to bolster it.

As to the resumption of the talks on 9 September and the launch of substantive negotiations on 15 September, it would be premature to reveal

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our thinking on fallback options (although the Alliance Party could be expected to welcome it). The Prime Minister might say that we intend to

- assess whether the two Governments' proposals on decommissioning could win sufficient consensus support;
- explore the possibility of moving forward into substantive negotiations leaving decommissioning formally unresolved, but with the two Governments implementing their proposals;
- consider alternative formats (bilateral/multilateral rather than round table, at least initially)

but remain determined to ensure the launch of substantive political negotiations on 15 September.

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Private Secretary to Paul Murphy MP