Draft minute for signature by the Secretary of State

Alot yet cleared by Sofs (N)

Prime Minister

NORTHERN IRELAND: THE LAUNCH OF SUBSTANTIVE DIALOGUE

 We are to meet on 28 August. The weeks up to and through 15 September will be critical for political progress. This note outlines how I am approaching them. I shall minute you separately early next week about my decision on the IRA ceasefire.

A good August

- We have continued to make good progress:
 - the <u>marching season</u> finished with little trouble;
 - the <u>IRA ceasefire</u> is holding well. Although publicly there is little euphoria, there is more of an understanding (most conspicuous among the business community) that the opportunity must be seized this time even though it may involve difficult accommodations;
 - the <u>UUP consultation exercise</u>, seemingly designed to give Trimble cover to stay in the talks, has continued. We are working behind the scenes to help it reach the right answer, but there remains significant dissent within the party;
 - the <u>DUP</u> continue to want to keep in touch with whatever dialogue is going on;

- one of the small <u>loyalist parties</u> (UDP) has said they will sit down with Sinn Féin;
- I had a good first meeting with <u>Sinn Féin</u>: despite long recitations of traditional republican objectives, there were clear indications of a determination to engage in the process;
- with the <u>Irish Government</u> we have made progress on the decommissioning machinery. The US, Canadian and Finnish Governments have been approached to suggest Commission members. (But both the UUP and the Irish are causing difficulties over issues related to the chairman's post.) On Tuesday, I will sign with the Irish Foreign Minister the necessary <u>International Agreement</u> to establish the Commission.
- All in all, we are in a better state than we might have hoped.

The way ahead

- 4. Our overriding objective is to meet your commitment that the settlement train moves out of the station on 15 September. We have successfully created a strong public expectation that substantive political negotiations will start then, come what may. Now we must deliver.
- 5. We want as many of the parties on board the train as possible. If the ceasefire is judged genuine, <u>Sinn Féin</u> will be there. We want <u>unionists</u> on board as well, and must work hard to achieve this.
- 6. We have a well-developed plan for launching substantive negotiations on 15 September (<u>Appendix 1</u>) which we are discussing with the Irish Government. The key steps are:

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- (i) to see if we can secure <u>UUP agreement to our joint decommissioning proposals</u> when talks resume (and Sinn Féin could first be admitted) on 9 September;
- (ii) failing that, to try for <u>UUP agreement to launch the three strands on</u>

 15 September, despite the lack of agreement on decommissioning. We and the Irish Government would implement the decommissioning machinery but the UUP would not formally have to endorse our decommissioning proposals;
- (iii) failing that, we shall need to establish an alternative political process to take substantive dialogue forward from 15 September. The present roundtable process would be suspended, but we would hope to return to it. In the meantime, on 15 September, we would announce that the two Governments would engage in a process of consultations with all parties, with a view to formulating proposals to be put to the people in referendums, North and South. Unionists (even the DUP) will find it difficult to refuse to engage in an alternative process which does not require them to sit around the same table as Sinn Féin.
- 7. Drafts of the key documents to deliver this plan are all annexed to Appendix 1:
 - Annex A: a draft <u>procedural motion</u> to launch the three strands despite the lack of agreement on decommissioning;
 - Annex B: a draft <u>statement for 9 September</u>, in case we fail to get approval for our decommissioning proposals or to proceeding without it, inviting the parties to meet for substantive negotiations on 15 September;
 - Annex C: a draft <u>statement for 15 September</u> launching the alternative consultation process.
- 8. We hope we do not need any of these documents, but we have to be ready in case. We have shown them to the Irish Government and I will discuss them further with Ray Burke on <u>Tuesday</u>. They agree with our broad approach, while making a

number of drafting suggestions. We need an agreed position with them before 9 September.

- 9. The only point of substance in the Irish comments is that they see attractions in a softer version of suspending the current talks, against the possibility that they can be resumed in a matter of weeks. My concern is that we do not undermine the psychological impact of starting substantive negotiations on 15 September.
- 10. Whatever the format, we must ensure the best possible chances of reaching agreement by May next year on the fundamentals of a settlement, that is capable of being endorsed in referendums in the Republic as well as Northern Ireland.
- 11. If the current talks process continues, it has a well-defined shape and structure.

 But if we have to resort to the alternative, more diffuse, process, we must give it a clear structure and direction from the outset. So:
 - Appendix 2 is a draft paper setting the agenda for tabling with the parties on
 15 September; and
 - Appendix 3 is the draft of the first of a series of consultation papers on issues
 of substance, for tabling soon after 15 September. It focuses on a
 replacement for the Anglo-Irish Agreement and so contains issues of interest
 for both unionists and nationalists.

Public stance

- 12. Publicly, it is essential that we:
 - advertise our determination that <u>substantive dialogue will begin on 15</u>
 <u>September</u>;

- demonstrate that we are putting in place the decommissioning machinery in time for 15 September;
- use language helpful to the UUP where possible;
- but do not get out of step with the Irish.

Next steps

- (i) Unionists
- 13. I shall see Mr Trimble next week. We need to establish his position on decommissioning and the future of the talks. Doubtless he will want to see you again before 9 September.
- 14. We shall have to be sure that we have a clear understanding of what, if anything, will move the UUP before we press the Irish again: there is little more to give and, from the Irish point of view, what there is is painful, and as you yourself told Trimble on 30 July they will give it only to buy real progress, not by way of sweetening the atmosphere. We have prepared a response to Trimble's letter to you of 30 June (Appendix 4). Although we replied in detail to all the points he raised in Paul Murphy's statement to the talks on 16 July, Trimble still wants a reply from you. We have shown this draft (as we must, because it involves commenting on our joint proposals) to the Irish. They have a few drafting comments, which we shall seek to resolve next week. We can discuss on Thursday when it is best played in.
- 15. Trimble also left with me on 31 July a list of ten 'confidence-building measures' for unionists (Appendix 5 together with a commentary). They are a mixed bag; it is not easy to see in most cases that they might be fundamental to unionist attitudes to the talks process. We will nevertheless try hard to find ways of meeting the UUP on them; but again I suggest movement should be offered only as a strict quid pro quo for UUP acceptance of our decommissioning proposals.

16. If Trimble is seriously ready to make a move, though, we must think carefully what we – and others – can do to support him. Praise from you, and further assurances that Unionist interests are protected, goes some way. Clinton may have a role here: a statement from him responding to unionist anxieties, allaying the perception common among many unionists that the world is ignorant of and hostile to them, may also be useful.

(ii) The Irish

- 17. I see Ray Burke on Tuesday. As well as signing the International Agreement, we shall review plans for 15 September (ie the paper and annexes at Appendix 1).
- 18. On Thursday, you and I should discuss whether, and how hard, to press the Irish for better language clarifying our decommissioning proposals. This is only worth it if we think Trimble will move in response. It may well be that Trimble will find it more comfortable not to have to sign up to our proposals: we can live with that because he will find it hard to resist engagement in the alternative process we plan against that contingency.

Into substantive dialogue: issues for the future

- 19. Once we are clearer how 15 September will go, another meeting would be useful. We do not need decisions now but we shall need to think about:
 - when you should meet Sinn Féin: perhaps not too long after 15 September to avoid it becoming a great issue;
 - our stance in the negotiations themselves: we should be severely evenhanded, encouraging both sides to sort our their difficulties across the table and not by appealing outside the negotiations;
 - the outcome we seek: the <u>Framework documents</u> still offer, in broad terms,
 the outcome most likely to be acceptable to both sides. Both sides will try to

tug us and the Irish away from the Frameworks in different directions. We should persuade the Irish that both of us should endeavour to remain faithful to them.

Conclusion

- I shall be discussing how we launch substantive negotiations on 15 September,
 when I meet Ray Burke on <u>Tuesday</u>.
- 21. I can report on that at our meeting on Thursday, when I suggest we focus on:
 - my plans for <u>launching substantive dialogue on 15 September</u> if we fail to get
 UUP support on decommissioning (Appendix 1);
 - our approach to Trimble (the draft letter at Appendix 4);
 - whether, and how, we can obtain more movement from the <u>Irish side</u> which will help the UUP support, or acquiesce in, our decommissioning proposals.
- 22. I am copying this to Sir Robin Butler.

MM

August 1997

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