From: THE PRIVATE SECRETARY

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23 July 1997

Dear Jh.

NORTHERN IRELAND

Thank you for your letter of 22 July.

We shall proceed today as proposed in my letter of 21 July. That, of course, involves a clear signal that we are standing by our joint proposals and proceeding to implement them. It is not compatible with holding out to Trimble any hope of substantive change to them.

We will have difficulty getting the Irish Government to set up the International Commission, but we shall press them strongly. We may have to agree to a <u>holding statement</u> for today while we continue to press them over the next few days.

Assuming we can deliver our gameplan over the next few days, the next decision point for Trimble comes in September. As he himself suggests, we should <u>not</u> deploy formulas with him much in advance of that,

Chasing after Trimble to offer more concessions, after all both Governments have said about standing firm on their proposals, sends dangerous signals:

- it reduces the pressure on the UUP to accept our proposals as they stand;
- it encourages the UUP to think more concessions will be on offer if they stand their ground;



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 it risks sending the signal to the Irish Government and nationalists more widely that we cannot be relied upon to stand by our word and will keep unionists on board whatever the cost to nationalists.

Turning to the letter, if we send this draft to Trimble we will effectively have conceded the positions in the letter with the promise of nothing in return. We should only be in the business of offering something to Trimble if he is ready to give bankable undertakings that he will support our proposals.

There is nothing yet to suggest he will - if we give him more concessions without first ensuring they will do the trick, he is likely to pocket them and move on.

There are also grave risks in exposing the draft letter to Trimble without showing it first to the Irish Government. If it leaked, it would almost certainly provoke an open and very damaging row with the Irish Government. They would accuse us of bad faith. Trimble will realise this and so would have a motivation to leak.

At several points, the draft letter risks the accusation that we would be breaching undertakings given to Sinn Féin. That has implications for any faith Sinn Féin might place in HMG, and consequently for the ceasefire.

Turning to the detail:

- paragraph 2: the last sentence, in this context, strongly implies Sinn Féin will be excluded if there is no decommissioning during negotiations. This risks either misleading the UUP or an inevitable and public breach with the Irish Government. It is extremely dangerous;
- paragraph 3 and quote: the danger in showing Trimble this when it is <u>not</u> agreed with the Irish Government is that, if they do not subsequently agree it, the UUP will have the ammunition with which to split the two Governments. A leak would provoke <u>a very serious row with the Irish Government;</u>



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- paragraph 4: we carefully agreed language on this issue with the Irish Government which this goes beyond. We would need to return to "formulate options for draft schemes etc" as in Paul Murphy's statement to plenary on 16 July;
- paragraph 5: this goes further than the Aide Memoire to Sinn Féin, and does not repeat the mention there of a "political judgement of all the circumstances in the round". The example of targeting is unwise because it is difficult to establish what is targeting and what is not there may be no illegal activity involved. It suggests we will rely on intelligence material which is a neuralgic point for Sinn Féin we consciously moved away from;
- paragraph 7 and quote: the same risks apply to offering formulas which have not been agreed with the Irish Government. Even if the formula is agreed, it avoids any definition of the consent principle. The Irish Government would not accept the definition in the first sentence of the covering paragraph as sufficient and would regard the implication that they have signed up to it as a breach of good faith.

My Secretary of State considers that we currently have a clear and coherent position, which we should stick to. On all sides, all the participants will be looking to see if we deal straight and can hold consistently to clear positions. If we do so, that itself sends an important message that we are to be taken seriously.

My Secretary of State sees serious danger in sending this draft letter to Mr Trimble now, in the immediate aftermath of his rejection of carefully balanced proposals which both Governments have emphasised they will stand by. It risks destroying our shared approach with the Irish Government. She very much hopes that, once the dust has settled there will be an opportunity for calmer reflection on the best way forward. In the meantime she suggests that the Prime Minister issues a holding reply to Trimble's letter. We will provide a draft shortly.

JOHN MCKERVILL