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SECRETARY OF STATE FOR NORTHERN IRELAND

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Prime Minister
10 Downing Street
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25 September 1997

Dear Tony,

NORTHERN IRELAND: POLITICAL SETTLEMENT

You have asked for a detailed note on what a political settlement might look like in Northern Ireland, and where the difficulties lie. John Holmes' letter of 12 September refers.

We continue to judge that the overall accommodation set out in 'Frameworks for the Future' is broadly accurate. We are of course committed to the document in the manifesto. The underlying issues have not changed since it was published in February 1995 and we still believe that it represents a reasonable balance between the various competing interests. We do not, of course, expect that a settlement will necessary look like it in every respect; there is almost unlimited scope for rebalancing the different interests both within and between the three strands. Nevertheless, it remains our best assessment as to where the overall balance could be struck. A summary of the main elements is at Annex A.

The fundamental approach underpinning the Framework document is that any settlement must embrace the three key relationships, those within Northern Ireland, between Northern Ireland and the Republic, and between the two Governments. This analysis is shared by all the participants and has formed part of the formal basis for talks since 1991. None of the parties argues that an "internal solution" is the answer; all recognise that an agreement affecting Northern Ireland has to be set in the wider context of Northern Ireland's place within the United Kingdom and its relationship with the Republic.

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With this in mind, the key elements of any agreement will be:

- the creation of new political institutions within Northern Ireland, to provide an effective and proportionate voice for both parts of the community;
- new North/South arrangements to facilitate co-operation on matters of mutual interest and, in particular, to give expression to the nationalist community's continuing desire for a close relationship with the Republic;
- a new and more broadly based Anglo-Irish Agreement reflecting a balanced accommodation of the constitutional issues (including amendment of the Irish territorial claim over Northern Ireland), and enshrining the principles of consent and self-determination.

All this would be underpinned by additional protection for civil political, social and cultural rights.

Difficulties

Annex B explains where we expect the main problems to arise in the negotiations. The main flashpoints will be the constitutional issues in Strand III and the whole question of North/South institutions in Strand II, but there is also the capacity for Sinn Fein to create turbulence on the internal arrangements in Strand 1. Striking the right balance on the North/South issues will be largely a matter of political will rather than technical drafting; the constitutional issues will require both in large quantities and could be extremely time consuming and complex.

A major complication for the negotiations will be the inter-relationship with the parties' demands for confidence-building measures. David Trimble has already presented his list; the Loyalists are looking for movement on prisoners; the Nationalist participants will focus on police reform, parades, prisoners, demilitarisation and equality issues.

We should be under no illusions that both Republicans and Loyalists will be looking for the early release of significant numbers of prisoners; the Irish Government may well set the pace. The whole issue will require careful handling including with the Home Office given the read-across to GB.

On policing, the SDLP will be looking for radical reform but Sinn Fein will press for nothing less than the complete abolition of the RUC. This, and parades and demilitarisation have the potential for seriously polluting the atmosphere of the negotiations.

The timetable - with negotiations to conclude in May - is ambitious. It is achievable with goodwill but any of the main parties can effectively block progress at any time. In practice, if good progress is being made, the deadline can be extended. But the Forum's life expires in May whatever happens, unless we amend the legislation.

The present context.

The Framework document brings out the scale and complexity of the negotiation that lies ahead. On any analysis the range and importance of the issues to be addressed presents a radical challenge for all the talks participants. However the advent of the IRA ceasefire, the fact that Sinn Fein are now in the talks, and with a background of significant constitutional change taking place in Great Britain, the overall circumstances for reinvigorating the search

for a settlement in Northern Ireland are arguably better than they have been at any time over the past nearly 30 years.

The prospect of a political settlement presents us with a significant opportunity to overhaul and bring much needed modernisation to political structures in Northern Ireland. This would produce benefits throughout the community. There are many reforms we would want to introduce anyway - reform of the police, human rights, tackling discrimination, etc. - but the Talks process gives us an opportunity to deal with them in a wider context.

The fact that such a high proportion of the community voted in recent polls (92% - Belfast Telegraph) for their parties to engage in talks suggests that there is an ever-growing mood for progress. In the short term, however, the search for an agreement may well have destablising effects. Markethill was a reminder to Sinn Fein about the dangers of diluting republican principles; we could see similar reactions on the other side. But these must not be allowed to impede the search for progress.

Like the previous Government, our approach is that the Framework Document is not a blueprint but a model for consideration with the parties. If, however, we are right in the assumption that it is reasonably close to what will eventually emerge from negotiations then it is clear that nationalists, and especially republicans, stand to lose most in the Talks. There is a perception in the unionist community that Frameworks is a "Green" document, laying the foundations for a united Ireland. The DUP denounce it out of hand; the UUP are highly suspicious of it.

In reality, however, it invites the nationalists to buy into the principle of consent for the people of Northern Ireland, endorses partition, and thus accepts Northern Ireland as part of the United Kingdom. In return the nationalists would get additional guarantees of equal

expression for the nationalist culture and identity, protection of civil and political rights, and the North/South Body. In constitutional terms this outcome would clearly favour the Unionists; it also helps to explain why identity and justice issues are so important to nationalists and why the North/South Body is of such high symbolic importance to them. There is a view within the Irish system that although a deal could take many forms the central trade-off is between reconciling nationalists to Northern Ireland's continuing place within the UK, and giving proper recognition to their identity and ensuring justice for all.

If this analysis is correct it should mean that it is the nationalists who will need the greater help from the two Governments in the presentation of any eventual deal. Perversely, however, as the Unionists feel the losers it is they who in practice may look to us for support.

A few points about our tactics over the period ahead. Now that inclusive negotiations are in prospect we should try to resist attempts by any of the participants to open up bilateral channels of negotiation with us and encourage them, instead, to make the most of the Talks. If progress is to be made the main engagement must be between Unionists and Nationalists; we should not provide any easy alternatives.

We can assume that the approach of the Irish government too will be based largely on the Framework document. They and the SDLP see this as a good basic package and won't be driven to deviate widely from it, even though they may be under some pressure from Sinn Fein to do so. But, as Bertie Ahern suggested in a speech in July, he will be seeking to put more flesh on many of the ideas in the Framework documents. In matters of detail the Irish government may be tempted to push for a better deal for nationalists, than Frameworks currently offers. This would *undoubtedly* be the case if we were seen to be backing away from any of the main commitments we made in the Framework document.

So far as possible we should also revert to a more neutral, even-handed posture between the different parties. Our initial interest, on arrival in office, was to see whether Sinn Fein would join the process on a proper basis. Recently our attention has been towards the UUP. Once the negotiations begin, however, we should be even-handed.

Mr Trimble has asked for a meeting with you to talk about possible outcomes from the negotiations. Before that, it might be useful if the two of us had a discussion. I would suggest that your meeting with him should only take place after he has met his side of the current deal; you should avoid a discussion with him on points of substance until he is firmly locked into the Talks.

At some point soon it might be useful to have a discussion of the way ahead in IN.

I am copying this letter to Sir Robin Butler.

MARJORIE MOWLAM

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