The National Archives reference PREM 49/119

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10 DOWNING STREET LONDON SW1A 2AA

From the Principal Private Secretary

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P. Mare

14 October 1997

Dear hen,

MEETING WITH THE ALLIANCE PARTY, 13 OCTOBER

The Prime Minister spent some 15 minutes with an Alliance delegation at the beginning of his tour of Castle Buildings. Lord Alderdice was not present, but Seamus Close was accompanied by Neeson, McBride and Ms. Bell. Dr. Mowlam, Paul Murphy and others were there on our side.

<u>Close</u> said that the Prime Minister's visit was important for the faith it showed in the peace process. The people of Northern Ireland were telling the parties to reach a settlement. There would be flak from both sides, but the need was to steer a middle course and get on with negotiations in a realistic way. An early settlement was possible if the will was there. The talks should get on to structures which might work. It might not be possible to get the agreement of everyone, but in some cases acquiescence would be enough. <u>Neeson</u> added that he had detected a willingness in Strand 1 to get on with the agenda, although they were not really into the meat so far.

The <u>Prime Minister</u> said that the existence of the Alliance and their efforts were very helpful in demonstrating that Northern Ireland was not just divided into two sectarian camps. <u>Close</u> said that not everyone in Northern Ireland wrapped themselves either in the Tricolour or the Union Jack. The middle ground was in many ways much broader than people thought. <u>Neeson</u> commented that the Dublin Forum would soon re-open. The previous session had been important in educating Sinn Fein in the realities, although they still blamed the Brits for everything, and had still to learn to address their fellow Irishmen. But, on a human level, there were some signs of the ice beginning to melt in the talks.

The <u>Prime Minister</u> asked whether rapid progress was really possible given the complexity of each strand on its own, never mind the three together. <u>Close</u>

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said that the 1991/92 talks had been a dreadful experience, not least the search for common principles and themes. There was now a greater willingness to look at the practical issues, and to move the strands on in parallel. But it was important that the Government continued to drive forward the agenda, and stick to the deadline they had set.

The <u>Prime Minister</u> said that he believed there was more common ground than many people thought. He remained stubbornly optimistic. <u>Close</u> said that the trick was to get everyone to acquiesce in a settlement. They would then have to sell it to their own people in very different ways.

The <u>Prime Minister</u> asked about the chance of the DUP coming in. <u>Close</u> said that, if the talks began to be seen as a success, the DUP would "break a leg" to get in, especially Peter Robinson. But McCartney would never come in.

<u>Neeson</u> said that McCartney had never had any political stamina. It seemed he was not getting the kind of response he wanted, even from his own constituents.

<u>Ms. Bell</u> said that she had detected a lot of interest from young people in the talks, rather than the usual contempt for politicians.

<u>Close</u> said that confidence-building measures were very important, but these should not be simply letting out prisoners to satisfy the paramilitaries. The main way of building confidence was to get on with the talks and show that there was something in it for everyone. <u>Neeson</u> suggested that a good confidence-building measure for the Unionists would be to bring the Royal Yacht to Belfast on a permanent basis. <u>Dr. Mowlam</u> said that any such scheme would depend upon it being commercially viable.

I am copying this to John Grant (Foreign and Commonwealth Office) and Jan Polley (Cabinet Office), and to Stephen Wright (Washington) and Veronica Sutherland (Dublin) by fax.

Ymase

JOHN HOLMES

Ken Lindsay, Esq., Northern Ireland Office.