CONFIDENTIAL



SURIECT

John Holmes

1

10 DOWNING STREET LONDON SWIA 2AA

From the Principal Private Secretary

18 November 1997

Dew hen.

to Chris ruger Vironica Sokerland) Pro-

MEETING WITH THE UUP, 18 NOVEMBER

David Trimble, John Taylor, Reg Empey, Ken Maginnis and Jeffrey Donaldson called on the Prime Minister this afternoon for an hour. They were in jovial mood.

The <u>Prime Minister</u> asked about Trimble's latest meetings with the Irish and SDLP. <u>Trimble</u> confirmed they had been constructive, although in each case both sides were still fencing. He was reasonably optimistic after the SDLP meeting. The two sides needed "different sizes of umbrella" but this ought to be soluble. But he had not been pleased by Andrews' comments after their meeting about no movement on Articles 2 and 3 until the UUP accepted a North-South body. He (Trimble) would be seeing Ahern in London on Thursday, and might try to have a private meeting immediately after the ordinary encounter in the glare of publicity.

The Prime Minister said he had also met Ahern in Strasbourg and more recently the SDLP, to establish their sticking points. He had discussed with both the East-West arrangements and the "override" problem the UUP had raised with him, as well as the nature of a North-South body. He had explained that UUP concerns should be met. But of course they had equal and opposite problems. His judgment had been confirmed that if we could get the East-West arrangements right, the North-South side could come into place. He thought the Irish and SDLP might move in the right direction, though he was not sure how far they would go. Meanwhile he was concerned about the possibility of the talks process stalling. So he was keen to get some outline principles for an eventual solution – Heads of Agreement – agreed by Christmas, on the lines of a Northern Ireland Assembly with legislative powers, North-South body with appropriate powers, East-West arrangements etc. That would enable some visible progress,

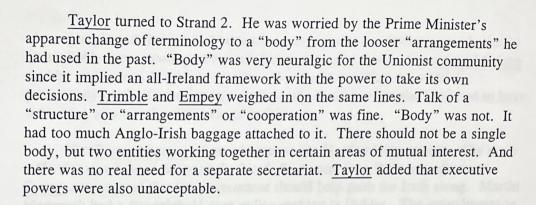
and get round the problem of parties' inability to agree to any part of the picture before they saw the whole. Negotiation in detail could then begin. He wondered whether the UUP could not produce a draft. This process could stop people losing faith in the talks – and there was some real disturbance in republican ranks.

Trimble agreed there was some republican turbulence but he thought Adams was safe for at least three or four months. Sinn Fein would in any case exploit the situation to bring pressure on the government. They were also complaining about the lack of UUP engagement in the talks, although others could now see the UUP were engaging. He could see the sense of what the Prime Minister was proposing on Heads of Agreement, but the UUP was reluctant to commit its position to paper for obvious reasons. Setting out the position as the Prime Minister described it would also create difficulties for Sinn Fein since it would obviously be a partitionist solution (though that was hardly the UUP's problem, and there was now increasing acceptance that this was the only possible solution).

Empey referred to the problem of Articles 2 and 3 and the attached Sunday Business Post Article of August purporting to set out the Irish position (and its British counterpart). The Irish had never acknowledged the accuracy of this, but the UUP thought it might well be genuine. If so, it was alarming since the proposed amendments made Articles 2 and 3 worse not better. They were in any case suspicious on the constitutional front since Quentin Thomas had talked of the need for a balanced constitutional package – the UUP did not understand what the British counterpart to Articles 2 and 3 was (I tried to explain). They worried that the NIO and Irish government had an already cooked-up plan which they were not allowed to see. Meanwhile the SDLP saw everything through the Irish government.

The <u>Prime Minister</u> denied knowledge of any such deal, but it was important for the government and UUP to work together. He went back to the Heads of Agreement idea. If the government and UUP could agree on a short paper, perhaps even no more than one side, this could be shown to the Irish and SDLP. If they could be brought to agree, then the UUP and SDLP could begin to negotiate seriously about eg what sort of legislative powers the Assembly should have. <u>Trimble</u> said that, despite what he had said earlier, he thought it would be helpful to feed in some entirely informal thoughts to inform our drafting.

STATE S



The <u>Prime Minister</u> said that there would need to be some way of servicing a new body, whatever it was called. And it would surely need to do things, so what was the problem about executive powers? <u>Taylor</u> repeated that it should not have an all-Ireland character. This was deliberately seen as the embryo of a united Ireland. Cross-border cooperation was what was needed, nothing more. <u>Empey</u> said there was no need for exclusive reference to North-South cooperation. Northern Ireland's links were not primarily with the South. East-West was more appropriate. <u>Donaldson</u> said he was not against North-South cooperation. Once people got talking, there was no saying how this might develop. But there was no need to legislate for it all in advance, as the SDLP wanted.

The <u>Prime Minister</u> said that a North-South "body's" powers had to spring out of a practical need to do something. But the SDLP needed something presentationally as well, since they would be agreeing to the continuation of the Union. <u>Taylor</u> said that the SDLP made a fetish out of executive powers in public, but seemed much more pragmatic in private.

Maginnis launched into a predictable lament about decommissioning. The idea of Mitchell had been parallel progress on the talks and disarmament tracks, but this was not happening. The legislation had been enacted late and the Independent Commission set up late. They had finally produced a draft report at the end of October but now the governments were holding this up, and nothing would be done until 1 December. This was all being done to prevent embarrassment to Sinn Fein and the loyalists, but the UUP were meanwhile being embarrassed and hung out to dry. Nothing of substance was happening and people would begin to say that the talks could not go on unless there was progress on the decommissioning stream. The Commission's public profile was non-existent. The two governments had agreed to put the issue on a backburner.

<u>I</u> explained that we had been trying to improve the draft report. It should be available for a meeting of the sub-Committee next week. The <u>Prime Minister</u> said he understood Maginnis's points. We would see what we could do, particularly on the Commission's profile. He could see that the UUP had to have something to show for their efforts in this area.

The <u>Prime Minister</u> returned again to the Heads of Agreement. The main difficulty was how to describe the North-South and East-West arrangements. <u>Empey</u> commented that the government should help push the Irish along. Martin Mansergh had a stranglehold over policy-making in Dublin. The amendments to Articles 2 and 3 had to be meaningful. <u>Taylor</u> added that they understood that the Irish would not change anything until the end of the process, but the UUP needed to know more of their thinking. It would not do if they fiddled too much with fancy forms of words which did not change the underlying problem.

I commented that my impression was that they accepted the need to abandon the territorial claim but wanted to retain references to the Irish nation in some way. Trimble said that a distinction between the Irish nation and the state might be an acceptable way of doing things. But they had to drop references to territory, and Martin Mansergh had been saying they could not change Article 2 at all.

<u>Taylor</u> asked about the timescale for Heads of Agreement language. The <u>Prime Minister</u> said that he wanted to move very quickly. <u>Trimble</u> commented that Mitchell had wanted to do something similar but the UUP had just refused. They were not against Mitchell contributing (<u>Maginnis</u> commented that he was) but this had to be at the right time. They had no problem with him sitting in bilaterals for example.

The meeting concluded with suggestions from the UUP that there could soon be serious violence between the UVF and the UDA, and perhaps trouble from the LVF as well. This would be criminality and score-settling, not political.

Comment

This was in some ways a less helpful meeting than hoped, because of the unexpected presence of Taylor, Empey and Maginnis. But the mood was nevertheless reasonably constructive, despite the consistently negative comments

on the North-South body and Maginnis's efforts on decommissioning. Trimble promised to let me have personal thoughts on Heads of Agreement in the next day or two, and also a read-out of his meeting with Ahern before our meeting on Friday. Meanwhile, I have given Paddy Teahon a read-out of the meeting, and he has promised me his version of the Trimble/Ahern meeting.

It would be helpful to have as soon as possible your own thoughts on what a very short Heads of Agreement paper should look like. The Prime Minister would like to reflect on all this over the coming weekend. But the existence of this exercise should obviously be held very close.

I am copying this letter to John Grant (Foreign and Commonwealth Office), Jan Polley (Cabinet Office), Christopher Meyer (Washington) and Veronica Sutherland (Dublin).

JOHN HOLMES

Ken Lindsay Esq Northern Ireland Office