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From the Principal Private Secretary

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Den Gen.

MEETING WITH THE SDLP, 12 NOVEMBER

Hume, Mallon, McGrady and Durkan called on the Prime Minister for almost an hour in the House of Commons on 12 November. Paul Murphy, Jonathan Powell and I were there on our side.

The Prime Minister explained that he wanted to talk through the details of a potential settlement, in order to understand where the sticking points might be in the negotiations. He believed the time had come for HMG to push the talks on, which was why he needed to know the underlying problems.

Strand I

The Prime Minister said he assumed that, while there were lots of difficult details, a basic package along the lines of the Framework Document was negotiable in SDLP eyes. But there seemed to be reservations in various quarters about the idea of a Panel. Hume explained how the idea had emerged out of the last talks, but did not specifically endorse it. Mallon commented that it was not yet accepted by all concerned (e.g. Sinn Fein) that there should be a Northern Ireland institution. The shape of such an institution would be determined by its

The Prime Minister asked whether the SDLP themselves would support the idea of a chamber of some 90 members, elected by some form of PR, and with a reasonable set of powers. Mallon confirmed this, but said Unionist views remained entirely unclear. Durkan added that the Unionists did not want the Assembly to have legislative powers and were even doubtful about the extent of its executive powers. They feared the knock-on effect to the proposed North-South body. The SDLP wanted the maximum of both sets of powers, including

over police and security. In other words, they wanted Scottish powers plus, while the UUP had in mind the Welsh model.

Paul Murphy said there were some suggestions that 90 members was too many. Mallon said that in theory this might be so. But reducing the numbers would lead to a desire to change the electoral system too. The SDLP wanted to stick to STV. Durkan added that this was not necessarily a sticking point, though they did want a system which helped get smaller parties in.

Strands II/III

The Prime Minister assumed that the SDLP had no basic problem with the approach set out in the Framework Document. Mallon confirmed this. The Prime Minister commented that the Unionists did have basic problems with Strand II. The question was whether Strand III could be used to give them reassurance and thus increase their readiness to accept the core of Strand II. They were concerned that the Framework document provisions on Strand III appeared to provide an override over decisions of the North-South body. He had told them this concern was misplaced, although there would need to be some provision in case the North-South body ceased to function. But their concerns remained. So why not make it clear that there were no powers of override, so that the chances on Strand II were better? (His own assumption was that once the pattern of North-South co-operation had been established, the boundaries would begin to matter less.)

The Prime Minister continued that the Unionists also had the idea of a Council of the two islands (whatever its name might be). This too might help to reassure them, and he did not see why it should matter too much to others – or was he missing something? It seemed to him essentially a presentational issue. In any case UK-Ireland relations were bound to get closer, not least over Europe. Mallon said that the disagreement with the Unionists was about the nature of the North-South body. Executive powers were absolutely essential for the SDLP and for the South. Unionist concern about the override was misplaced. It was not intended to make the North-South body do or not do something, but was to cover the situation where the system broke down. It was clear from the Framework Document that the ultimate sanction for the North-South body would rest with the two Administrations in the North and the South. The Republic would not want it to operate independently, any more than a Northern Ireland Assembly would. The body would not be able to proceed unilaterally. Consensus would always be

needed. The Unionists always worried about the proposed IGC, but what actions by the existing IGC had actually caused problems?

But if the Unionists were interested in putting the North-South body under an East-West umbrella that would be a real problem for the SDLP. <u>Durkan</u> commented that the SDLP did not set limits on their position in any of the Strands, but the Unionists wanted to put all the content of Strand II in Strand III. That would be very hard to swallow.

The <u>Prime Minister</u> said that this was precisely why it was so important to reassure them on Strand III, so that they would be forced back into proper discussion of Strand II. <u>Mallon</u> said that the SDLP would have no real difficulty about a broad context for East-West relations, e.g. along the lines of the Nordic Council. But if the idea was to put the North-South body and its executive powers into or under this Council, that would be a serious difficulty, since it would seem to subsume and demote the North-South body. <u>McGrady</u> reinforced this. Co-operation between the peoples of North and South could not all be seen in a UK-Republic context.

The <u>Prime Minister</u> wondered whether the UUP could not be brought to give up trying to subsume Strand II into Strand III if the override problem was dealt with. <u>I</u> commented that the Unionists did want a broad presentational cover for a North-South body, to enable them to sell it to their own people. <u>McGrady</u> said the reverse problem also existed. <u>Hume</u> commented that a North-South body ought to be easier for the Unionists than an East-West arrangement, since they would be able to control the former and not the latter. <u>Durkan</u> commented that the fears of Unionists and Nationalists were at bottom the same – being left as the ultimate minority with no outlet for their allegiance. Even if the constitutional status of Northern Ireland changed, an East-West framework could give reassurance for the Unionists, by protecting their Britishness. So both identities could be protected.

Mallon said that the latest British paper on Strand III said an IGC would continue, but its scope could change. Presumably the North-South body would take away some of its functions. So the relationship between a North-South body and East-West framework would certainly need to be defined. Only the two governments could do that. But it was not clear why the Unionists regarded a new IGC as automatically in competition with a North-South body.

The Prime Minister agreed, but it would be hard to persuade the UUP of this. More widely, he thought two stages might be identified: first agreement on some basic principles, second agreement on the details. Thus if we could get agreement in principle that there should be a devolved Assembly with some legislative and executive powers, and a North-South body with executive powers, this would give momentum. The main parties, i.e. the UUP and SDLP, could then get down to talking about the extent of the powers in both cases. The Belfast process seemed largely stalled for the moment. So the government might have to push them along. But was such an approach feasible? If not, how was it possible to avoid getting dragged into details when the basic principles were not really agreed? Ideally the UUP might put forward some proposals, or even do so jointly with the SDLP, but they looked unlikely to do this.

Mallon commented that the Sunningdale agreement had been reached in one weekend, although it was true that the ground work had already been done. The parties were now stuck with the present format, but he thought it might be possible to make some progress in the next two weeks of bilaterals and the review plenary. If not, there would be real problems. The Prime Minister agreed. People on the ground needed to be given some optimism. He proposed to see the UUP again, then the SDLP once more, to try to pin down the areas of agreement and disagreement.

Security

Mallon took the opportunity to say that people on the ground in his own constituency and other nationalist areas were not seeing enough outward signs of peace – less than during the last ceasefire. He was not just echoing a Sinn Fein line. It was the truth, and it was doing nothing for confidence. He hoped the Government could give him some ammunition to use in South Armagh to show that things were getting better. For example, he did not believe the watch towers were of the slightest operational value. McGrady supported this. There were more army patrols in his constituency than before. Hume added his support. It was an urgent problem, and was not helping the right side win the arguments inside the republican movement.

The <u>Prime Minister</u> said that the main problem was the CAC. But he entirely understood the point. He could not take action which put people's lives at risk, but he would like to see whether something more could be done.

Party funding

Hume raised the proposed rules banning foreign donations. These would cause real problems for the SDLP, because of the funds which came from the South (less so from the US). The <u>Prime Minister</u> said that the Home Secretary and Northern Ireland Secretary were alive to the problem, although it was not clear what could be done.

The meeting had to break at this point as the Prime Minister had to meet the Swedish Prime Minister.

Comment

This was not a particularly satisfactory meeting, under a certain amount of time pressure. The insistence of all participants on the SDLP side having their say on each issue does not aid clarity or consistency. But some useful ground was nevertheless covered, and a better basis established on which the Prime Minister can talk to the UUP early next week.

The Prime Minister was struck by the SDLP comments about security on the ground, which echo what the Women's Coalition said in their meeting last week. The Irish have also raised similar points. I would be grateful for an urgent note on whether we could not do more to reduce the security presence or at least its visibility in some areas, given that the CAC, while a serious threat in some ways, is not in the same category as PIRA itself.

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

JOHN HOLMES

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