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From the Private Secretary



29 October 1997

Dee Uen,

MEETING WITH THE SDLP, 29 OCTOBER

The Prime Minister met Hume, Mallon, McGrady and Farren this evening for some 45 minutes. Jonathan Stephens and I were there throughout. Dr Mowlam arrived about half way through.

Hume began by saying that the UUP were still not really talking to the SDLP or other participants in the talks. Their focus was elsewhere. It was part of the UUP strategy to talk to the Prime Minister as much as possible and give the impression that they were negotiating with him, and winning specific concessions. The correct approach should be fairness not favours. But the present meeting would help to correct the impression that Trimble had a unique link with the Prime Minister. In any case he hoped the UUP would begin to focus on the talks, and get down to discussing the institutions.

The <u>Prime Minister</u> said that he had wanted to get a clear impression of Trimble's real position. If it took meetings with him to get him into the process and keep him there, this was worth it. But he was not doing side deals. He understood the point that Hume had made, but was not sure how an agreement could really be negotiated around the current table.

Hume said that Castle Buildings was not a good place to negotiate, since it was unfriendly and did not allow for socialising. He wondered whether the talks might not have a week in London, in a suitable place where the parties could intermingle naturally. Mallon said that it was wrong to give the impression that nothing was happening in the talks. There might come a moment when a change of venue might be helpful, but this should not happen until the delegations had got to grips with the issues. At the moment it was too easy to move rapidly from one committee to another, without the threads being drawn together. The

process so far had not been without its value, but it had not yet got down to the serious business. They had had some bilaterals with the UUP, but the UUP line -up was different each time, and each line-up had its own line.

McGrady suggested that the DUP were content with the present situation, since they could claim to have their own track. The <u>Prime Minister</u> said that we had to meet the DUP from time to time. But it was clear that a settlement would have to come in the talks at the end of the day.

Hume said that the UUP were unwilling to focus on Strands I and II. Their real interest was in Strand III, because they wanted to change the whole basis of the Anglo-Irish Agreement, and leave the rest on one side. The Prime Minister agreed that the UUP needed to talk about Strand II. He would like to sit down at some point with a small team from the SDLP and go through the Strands in some detail. He was conscious of the fact that he had to keep focussed on Northern Ireland, even when it was not in the news. He wondered whether he needed to inject further impetus into the process now. Mallon repeated that the talks were not in serious difficulty at the moment. But there was a need to focus on the key issues. More widely, the talks were missing an element of mediation. How was the broking of deals to be done? Should it be by negotiating on a text, or through the two governments or through the chairmen?

<u>Hume</u> agreed. People would not be prepared to reveal their real positions sitting round a table but might be ready to tell a mediator what they actually might agree to. The centre of gravity would then begin to emerge. He saw one particular problem, which was the UUP insistence on movement on Articles 2 and 3 in advance. Articles 2 and 3 had to be on the table, but the change would only realistically emerge as part of the settlement, as in other areas.

Jonathan Stephens commented that the talks had made a reasonable start, but if they went on as at present for much longer, they would get into trouble. There was a need for the parties to engage properly. The UUP were not engaging at the moment. Sinn Fein were, although they were only promoting their United Ireland agenda. They had signalled they might settle for less but not what that less might be. Mallon commented that they were getting away with their present position, because no-one was challenging it. They were taking positions for subsequent publication, not for real negotiation. But he had noted their reference at one point to acceptance of a North/South Body, which was further than they had ever gone before.

The Prime Minister asked what Sinn Fein would do at the end of the talks. Presumably they were bound to present any outcome as only transitional. Hume suggested that they could oppose the outcome in the referendum campaign, but nevertheless accept the outcome. This was important because of Sinn Fein's theological belief that the Irish people had last spoken authoritatively in 1918, and that they were therefore the legitimate government of Ireland. Mallon said that it was not a problem if Sinn Fein opposed the outcome, as long as they only opposed it by democratic means. It was not clear they could persuade all the IRA hardliners. There would always be a rump of opposition. But for the moment they were not really trying to persuade them.

Dr Mowlam referred to the growing frustration in the talks, particularly at the lack of UUP engagement. The present impasse had to be broken.

Mallon said the question remained how to get into the practicalities and prevent the talks going on in their present loose form. The need was to agree broadly on the three core elements, and then build from there.

The <u>Prime Minister</u> said that there was surely broad agreement already on the three elements of a devolved assembly, a North/South Body and a relationship between the two governments. <u>Mallon</u> said that the UUP papers would not lead one to believe so. It was particularly hard to know where their bottom line lay on Strand III. But he repeated that the trick was to get agreement on the three core elements and then move on to horse trading on the specifics.

Hume said that there was a question mark about how serious the UUP were about negotiating. They never made proposals, and preferred to sit tight.

McGrady said that the talks process was too big, with too many parties. Mitchell had originally been supposed to be the mediator, but this role had been neutralised by the Unionists in the rules they had imposed. Mallon said this was not really the case.

Jonathan Stephens said that he thought Mitchell would play a role when the time was right. The fact was that the parties would not move to their bottom lines straightaway. The immediate task was to identify the key areas of difference, and work on them. The eventual aim should be a single text on which everyone could negotiate, around the table or bilaterally. Our impression from discussions with UUP, not least with the Prime Minister, was that they were serious, and ready to envisage the kind of deal which the SDLP could sign up to as well. Their negotiating stance was very tough, but our assumption was that they would deal seriously at the end of the day. The Prime Minister

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endorsed this assessment, but said that the UUP needed to be constantly kept up to the mark. Mallon referred again to the constantly changing UUP teams and polices.

<u>Farren</u> said that there was a clear need for mediation and leadership. He was concerned about the issue of confidence building. Confidence would not come from concessions to one party or another from governments, but from mutual engagement of the parties. As Hume had said, the Government approach should be fairness not favours. Meanwhile, he agreed with the idea that the next step should be to identify the key areas of disagreement, rather than looking for detailed solutions now.

Mallon said that talks needed a kick start of some kind, although this would only work as long as the prior understanding of the core issues to which he had referred was there.

The <u>Prime Minister</u> concluded that some important questions had been identified. He would like to reflect further. He accepted the need to move the talks along, and to press the UUP to engage in the process.

Bloody Sunday

<u>Hume</u> asked whether there were any developments. The Derry City Council wanted to bring themselves and the families of the victims to Westminster. He would prefer to avoid this if possible. <u>Dr Mowlam</u> said that the Government was continuing to work on the new material. We were not procrastinating and would try to reach conclusions before too long.

Comment

This was a friendly, low-key meeting, but lacked focus. The Prime Minister did not press for the SDLP to spell out their own real positions, and the SDLP did not volunteer them. We need to arrange a further meeting with Hume and Mallon, as proposed by the Prime Minister.

It was agreed at the end of the meeting that as little as possible should be said to the press: the meeting had been part of ongoing discussions between the parties and the government; there was commitment on both sides to make the talks process work.

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

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JOHN HOLMES

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