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10 DOWNING STREET

SUBJECT John AC MASTER PB

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From the Principal Private Secretary

Der hen,

CONVERSATION WITH DAVID TRIMBLE, 27 NOVEMBER

The <u>Prime Minister</u> spoke to Trimble on the 'phone this morning for about 20 minutes. He began by asking Trimble's impressions following his meeting with Ahern last week. <u>Trimble</u> said that he had spoken to Ahern again this morning to set up arrangements for their working group discussions, which he hoped would take place over the next couple of weeks, and get down quickly to nuts and bolts, draft words etc. The meeting the previous week had been an ice-breaker, and it could still prove that they were not on the same wavelength. But he thought Ahern had understood UUP concerns, although he (Trimble) had not been as blunt with him as he sometimes was. The spin put on the meeting by Irish officials, e.g. in the Irish Times the following day, had been encouraging in that it suggested the Irish were ready to move.

The <u>Prime Minister</u> asked whether Ahern had accepted the distinction between territory and nation, as regards Articles 2 and 3. <u>Trimble</u> said that he had given that impression, although it was difficult to be sure.

The <u>Prime Minister</u> turned to possible Heads of Agreement, and thanked Trimble for the text he had sent (such as it was, commented Trimble). He was now working on our own draft, and wanted to try out some ideas on Trimble. The intention was to put the consent principle up front. There would then be references to the Northern Ireland Assembly, to be elected by PR, but with the system left open, and no definition of legislative powers. The next tiret would deal with the East-West Council of these Islands. He was not quite sure where the Irish stood on this. <u>Trimble</u> said that Ahern had appeared open-minded, and had told him this morning he had tried to be helpful in the Dail the previous day.

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The <u>Prime Minister</u> went on that the most difficult issue was obviously North-South. The UUP did not like the word body, but references to cooperation would not be enough for others. He had therefore been looking at wording like "Council for North-South Co-operation". This might of course be unacceptable to the nationalists. <u>Trimble</u> said that he accepted that there would have to be a structural arrangement for North-South co-operation, not just ad hocery. The structure would need to bring together people from Belfast and Dublin. So he was ready to go further than just an ad hoc basis for co-operation. The <u>Prime Minister</u> said that, if this did not ring huge alarm bells with Trimble, he would try the idea on others. There was then the question of executive powers, which he wanted to leave open for the moment. <u>Trimble</u> said that they had been talking to the SDLP about these issues on Monday. The SDLP shied away from talking about the real world. For example they had suggested that a North-South body could take decisions on roads, but had given no thought to how this would fit with e.g. British Treasury rules about PFI.

The <u>Prime Minister</u> said that, in his view, the real issue was presentational. The SDLP realised they would have to sell a solution in which Northern Ireland remained in the United Kingdom. Decent North-South arrangements were for them the absolute minimum necessary camouflage. <u>Trimble</u> said he agreed it was largely a presentational problem. If that was so, he was ready to try to help.

The <u>Prime Minister</u> said that the Heads of Agreement would then go on to say that all decisions would be by agreement. There would be no mention of any override. He had raised this issue with both the Irish and the SDLP, and they did not seem to be particularly attached to an override themselves. It therefore seemed best to leave it out of the Heads of Agreement on the assumption that, if the nationalists did not raise it, it was not a huge sticking point.

The next tiret dealt with the IGC, where he was thinking of saying that the machinery would cover issues including Northern Ireland but not limited to that. It was obviously reasonable for neighbouring countries to discuss things of mutual interest. Trimble agreed with the last point. There were obviously issues, not least security, which the two countries should discuss. For presentational reasons, he wanted to say that all the new institutions would come under the broad umbrella of the Council of these Islands. For him this was important, and not just a presentational issue. On the IGC itself, it was very important that it should be broader than Northern Ireland. It should be able to discuss all issues of mutual interest, unlike the existing IGC.

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The <u>Prime Minister</u> said that he thought there should be no real problem about this. The Irish did want to discuss issues like Europe. <u>Trimble</u> agreed, and commented that the Irish desire to work closely with us in Europe, together with the devolution developments in Scotland and Wales, created a very helpful context for the unionists.

The <u>Prime Minister</u> said that Trimble's overall umbrella point might be more difficult. He had tried to deal with this by putting the Council of these Islands high up in our draft text, but he did not know whether the point could be made more explicit without the nationalists jibbing at this. <u>Trimble</u> agreed that the SDLP had problems with this. The important thing was that everything should be seen to be part of the "totality of relations". That phrase could encompass everything. He certainly did not want the East-West Council to have no content. The <u>Prime Minister</u> said that he understood and would see what could be done.

The Prime Minister went on that the last tiret concerned provisions to safeguard the rights of both communities and address equality and justice issues. Trimble commented that the last few words were Sinn Fein phraseology, but he was not too fussed by this if it appealed to them. He was certainly comfortable with the idea of safeguarding rights, and had just been reading with interest what the Welsh legislation had to say about this.

The Prime Minister said that this exercise might prove too difficult in the end, and he was worried that producing Heads of Agreement on these lines might force Sinn Fein to the point of decision very soon. Trimble said that he had just been talking to a journalist well informed on Republican issues, who thought that all the stuff about dissidents in the IRA was a deliberate stalking horse by the leadership, in order to see where loyalties really lay. It was notable that there was now talk of some people rejoining the movement. The Prime Minister referred to the Europa Hotel meeting, where Adams and McGuinness had appeared to receive good support. Trimble agreed but said there had been opposition too, notable from those with CAC and INLA links. He continued to believe himself that Adams' control was fine for the next two or three months, but there were questions about the longer term. The Prime Minister said that he would be encouraged if the leadership showed they could manage dissent within the movement. His particular concern was that they might not be in charge of their own movement.

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Returning to the Heads of Agreement, the Prime Minister said that he would try to reflect in the text points <u>Trimble</u> had made, and then let him have a look at it. Trimble must be very careful about showing it to others – no-one else had seen it, although there would be no difficulty in, for example, Donaldson seeing it.

The <u>Prime Minister</u> went on to talk about the talks process. He was concerned that Mitchell and others were beginning to feel otiose, and to think that he and Trimble were conducting all the real business. He understood that Mitchell might float a separate paper of his own. <u>Trimble</u> said that he was not sure about this. Mitchell had appeared to be backing away from the idea when he had spoken to him last Saturday, but this might not be clear until they met again on Monday.

The <u>Prime Minister</u> went on that the absence of any engagement at all between the UUP and Sinn Fein, even through the Chair, was causing problems. <u>Trimble</u> acknowledged the problem. He knew that Sinn Fein were preparing something of a campaign on this next week. The timing of the Heads of Agreement exercise was relevant. This would have to be injected into the process at some stage. The <u>Prime Minister</u> agreed. If Trimble was happy, he would want to talk to the SDLP quickly, and try to move things forward in the next couple of weeks. <u>Trimble</u> said that this would be helpful. If a Heads of Agreement paper got into the process, this would enable the UUP to engage with Sinn Fein on sensible territory, without having to engage on the Sinn Fein agenda as such. The discussion would presumably be about how to flesh out the Heads of Agreement, which would give the talks a structure and an agenda they had not had hitherto.

The <u>Prime Minister</u> said that he was anxious about UUP/Sinn Fein engagement. There was Sinn Fein pressure on the Irish and Americans on this subject, and he did not want to lose any of the high ground we currently occupied. <u>Trimble</u> said that he was also conscious of this. Sinn Fein would do a lot of whinging next week, and the UUP would respond. He was also not sure how much real pressure there was from the Irish. But he too was looking for a way to deprive Sinn Fein of their current complaint.

The <u>Prime Minister</u> concluded that he would try to let Trimble have a sight of the text in the next couple of days.

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Comment

This was a useful discussion, with Trimble in very reasonable and cooperative mood. We need to take advantage of this. I attach a slightly revised
version of the text, which I would like to send to Trimble later today or early
tomorrow. I would be grateful for any immediate comments. The Prime
Minister also thinks that we may be able to signal to Sinn Fein that there is a
prospect of engagement with the UUP before too long, despite the difficulties.
The Prime Minister was incidentally struck again by the contrast between recent
intelligence and Trimble's impression of where the republicans are.

I am copying this to Jan Polley (Cabinet Office).

Yan ee

JOHN HOLMES

Ken Lindsay Esq Northern Ireland Office