FROM:

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Constitutional & Political Division

15 December 1997

NOTE FOR THE RECORD

cc: (see attached list)

F. 4. C: PB JAD AC

# THE TALKS LAST WEEK (8-12 DECEMBER 1997)

Business last week was conducted primarily in the "sub group" (two per delegation, mainly leaders and deputies) which had been charged by the plenary on 2 December to identify the "key issues" for negotiation and recommend appropriate formats and procedures carrying the negotiations forward in the New Year.

Additionally there was a meeting of the Business Committee; the Taoiseach paid a visit to Castle Buildings on 8 December, during which relations with the UUP were formally restored; and a Sinn Fein delegation visited the Prime Minister at Downing Street on 11 December.

# Progress in the sub group

- format and atmosphere good and conducive to frank and constructive exchanges
- under cover of identifying "key issues" the parties actually began to edge towards striking the key substantive balances in the negotiations
- SDLP/UUP tabled a joint text which looked like providing the bones of an agreement. This did not meet Sinn Fein's needs as it acknowledged the reality of an assembly for Northern Ireland while not placing sufficient equal emphasis on North-South institutions
- the Irish Government responded to Sinn Fein concerns suggesting an alternative text bringing into play the Sinn Fein equality agenda. The SDLP and UUP viewed this as the Irish Government having "rolled over" to facilitate Sinn Fein.

#### UUP

- Mr Trimble engaged. He worked with the SDLP to produce a text which won widespread support, and could be seen squaring the Alliance party and Loyalist parties in the margins
- the UUP made two significant forward moves. One in response to Sinn Fein concerns. Its rejection left Sinn Fein looking obdurate. Built up relationship with SDLP. Critical of Irish Government change of heart, which the UUP misinterpreted as a weak kneed response to Martin McGuinness' threatening language; but probably encouraged by the SDLP's evident irritation with the Irish Government
- Mr Trimble is perhaps engaged in a process which he judges to be potentially beneficial for Unionism and in order to keep the UUP/SDLP jointery alive saw merit in assisting Sinn Fein. Alternatively, he is engaged in a game of brinkmanship with

Mr Adams, believing that the IRA ceasefire will break down in January or February and it is therefore in his interest to work constructively with the SDLP and Irish Government so that they will be prepared to carry on negotiating a deal with the UUP even if Sinn Fein are slung out. I suspect that the latter would be Mr Adam's assessment

 separately, Mr Trimble resisted the idea of HMG tabling Heads of Agreement before Christmas and enlisted Irish Government support for that; but reassured the Irish Government that he was keen to reach agreement by May

### SDLP

- Mallon and Durkan, with Hume away, tried to force the pace. Irritated by Irish Government reaction, but came up with an alternative approach
- emphasis shared by most other parties on getting to substance immediately after the New Year

#### Sinn Fein

- very adverse reaction both to the process which led to the UUP/SDLP paper, and to
  its substance. Keen not to be apparently committed to a partitionist settlement at
  this stage and to preserve sovereignty, equality, prisoners, demilitarisation etc as
  "key issues".
- made clear they didn't want any substantive agreement before Christmas
- further appeals for direct engagement with the UUP
- speculation that Sinn Fein wants (needs) a serious hearing of its united Ireland agenda in a discussion contributed to by the UUP. Following this they might be prepared to move forward
- Downing Street: traditional wish list trotted out by McGuinness, Ferris etc but a thoughtful conversation with Adams.

## Irish Government

- beginning to discover the perils of trying to ride two horses
- decision to avoid putting Sinn Fein against the wall on a non-substantive point just before a 3/4 week break, though privately accept the need to do so at some stage
- but, as a result, some credibility to regain with the UUP (and SDLP)

#### Outlook

prospects for agreement on UUP/SDLP list of key issues, or any variant of it, poor;
 but general support for meeting in similar format in the New Year and moving rapidly towards outline agreement

- UUP/SDLP alliance and UUP rapprochement with Irish Government (and expectation that they will work together over the Christmas period) offers some basis for believing an outline agreement could be hammered out relatively quickly
- Sinn Fein still looks and sounds committed to negotiations; but on this week's
  evidence their involvement in the <u>process</u> of reaching a deal (ie involvement in any
  key negotiations and in face to face negotiations with the UUP) will be as
  important as the <u>substance</u> of whatever deal emerges. Any attempt by the two
  Governments to work towards a broad understanding with the UUP and SDLP on
  Heads of Agreement in the first half of January should probably therefore embrace
  Sinn Fein.

Signed: J Johnston

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cc PS/Secretary of State (B&L) PS/Mr Murphy (DFP, B&L) PS/Mr Ingram (DED, B&L) PS/Mr Worthington (DENI, DHSS & L) PS/Lord Dubs (DANI, DOE & L) PS/PUS (B&L) PS/Mr Semple Mr Thomas Mr Steele Mr Leach Mr Bell Mr Watkins Mr Stephens Mr Woods (B&L) Mr Beeton Mr Brooker Mr Hill Mr Ferguson Mr Maccabe Mr Whysall Mr Sanderson, Cab Off (via CPL) Mr Fergusson, RID FCO **HMA Dublin** Mr Holmes, No 10