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10 DOWNING STREET
LONDON SW1A 2AA

From the Principal Private Secretary

8 January 1998

Dear Ken,

NORTHERN IRELAND: HEADS OF AGREEMENT

Having spoken to Jonathan Stephens, I have passed the following comments to Paddy Teahon, beginning by saying that I thought the document was in the realm of the negotiable, and that we hoped practical negotiations on it could be pursued urgently.

- (i) I queried the reference to "could include" in both paragraphs one and two. The UUP might regard this as a backward step in both cases. Teahon said that this in fact reflected the UUP wish for the proposals to be made less definite. If they wanted to go back to "will include/will involve", that would be no problem from the Irish point of view.
- (ii) I said that placing of the Inter-Governmental Council Summit at the Head of this section might not run with the UUP, when they wanted the Council of these Islands to be at the head of the arrangements. Teahon said that, again, the Irish were trying to help the UUP. But if it was easier to revert to three freestanding equal pillars, that would not be a problem for the Irish. What they could not accept was the UUP concept of the umbrella.
- (iii) I queried the reference to a "series" of Councils. Again, Teahon said that this was a response to UUP views. They had seemed to suggest that a series of bodies was easier for them, because it would bear less resemblance to a prototype Government.
- (iv) I said that the lines of accountability for the executive agencies could pose problems. Teahon saw the point and said that the Irish would be ready to be flexible about this.
- (v) I suggested that paragraphs four and five overlapped, and could be shortened and tightened. Teahon said he rather agreed.

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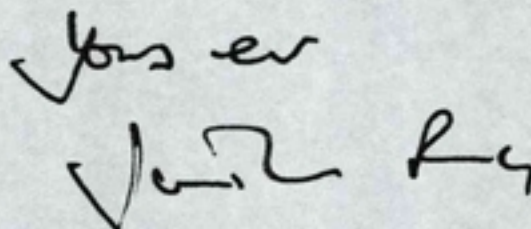
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- (vi) I queried the specific references to security changes by the British Government, and the reference to decommissioning "following the reaching of agreement". Teahon noted both. On the latter, the UUP had not in fact reacted to this in their discussions last night.

Teahon concluded that he had taken on board our comments. He proposed to give the paper to the UUP in its present form but to make clear that the Irish were not attached to every word, and that the UUP should come back with specific proposals where they had problems. I said that, without revealing we had seen the text, we would try to give Trimble the same message.

Teahon added that they were aware that Trimble had been revealing what was going on to various people, notably the Loyalists. They did not necessarily have a problem with this, although it rather contrasted with his insistence on secrecy otherwise. In any case, they now proposed to talk in general terms to the SDLP and Sinn Fein. Teahon said that they had not done this so far.

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

A handwritten signature in dark ink, appearing to read 'John Holmes', with a stylized flourish at the end.

JOHN HOLMES

K. Lindsay, Esq.,
Northern Ireland Office.

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