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From: THE PRIVATE SECRETARY

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18 December 1997

*Dear John,***NORTHERN IRELAND: HEADS OF AGREEMENT**

We need to plan for the resumption of the talks on 12 January.

The experience of the last two weeks has confirmed our view that real progress in substantive negotiations on specific issues will only be possible when the parties have a clear picture of what the broad outlines of an overall settlement look like. Equally, there was some evidence that the parties collectively understand and accept the key elements of the deal and that the SDLP are ready to move towards such a deal despite the pressure that would put on Sinn Fein. Another clear lesson, however, is that Sinn Fein involvement in the process of reaching a settlement will be at least as important to the Republican Movement as the substance of that settlement - probably more so, given the likelihood that the substance will be a long way short of their preferred outcome. The Irish Government is certainly alert to this point and while they may, at the right time, be prepared to move towards a deal which would be uncomfortable for Sinn Fein, it will be important for them to be able to show that Sinn Fein was at least engaged in the process of negotiating it.

Against that background it would be highly desirable to bring about a situation, by mid January if possible, in which both Governments, the UUP, the SDLP and Sinn Fein had a shared broad understanding of the shape of an overall settlement, preferably in a form which could be tabled for consideration in the talks. No text will fly unless it has the positive prior support of both Governments, the UUP and the SDLP: Sinn Fein support is improbable but their acquiescence is more likely if they are not presented with a fait accompli.





At the moment there are two "Heads of Agreement" texts in play:

- a British Government text which has been shown to Trimble and is apparently acceptable to him and which has been described in general terms to John Hume. The Prime Minister promised to show the text to the Taoiseach some days ago and the Irish may get suspicious if they don't see it soon.
- an Irish Government text, given to officials in the Liaison Group on 5 December.

There is a fairly high degree of convergence between the substance of the two texts, but there have been signs (including in the Prime Minister's meeting with Ahern in Luxembourg) that the Irish are inclined to harden up their position on North/South arrangements.

As to process, Trimble will be meeting Ahern over the Christmas period. We have encouraged the Irish to give him their Heads of Agreement text and we can at least hope they will speak to it. Trimble would like contact numbers at the NIO and No 10 during the period between Christmas and New Year so that he can if necessary check that he is avoiding any pitfalls. We will give him an official contact and pass on whatever contact arrangements you would like to make.

Meanwhile Paul Murphy believes it would be helpful if the Prime Minister rang the Taoiseach before he sees Trimble. He might emphasise that we believe Trimble is serious about striking a widely acceptable deal and that the Irish Government's Heads of Agreement text of 5 December seems to us to provide the basis for a constructive engagement. It could also be valuable to mention the concept of an overarching "British - Irish Agreement" which might embrace the proposed "Council of These Islands", the North/South arrangements and standing intergovernmental machinery: Trimble liked the concept and if the Taoiseach re-packaged his approach in that way it could help strike the right note. (It might even serve to





reduce Irish concerns about the balance between East/West and North/South structures.) The easiest way to illustrate the point would be to send the Irish our text, not with a view to producing a joint text but to give them an idea of how far the Prime Minister was able to get with Trimble and to inform the Taoiseach's approach to his meetings with Trimble.

A further point which the Prime Minister might emphasise is that we continue to see a need for any agreement on the broad outline of a settlement to be reflected in a text which could be tabled in the talks, to give them direction and renewed momentum. The Irish have recently, partly out of concern to avoid publicly isolating Sinn Fein, spoken of developing an "implicit" understanding: we cannot see how that could really advance matters.

After the New Year we will need to take stock of developments. Paul Murphy is arranging to have a private meeting with Trimble over the weekend of 3/4 January: we expect you will get an account of Irish dealings with Trimble from Teahon.

A meeting between the Prime Minister, Secretary of State and Paul Murphy, supported by officials, early in the week beginning 5 January might be appropriate.

Depending upon the outcome of the Irish Government/UUP exchanges it would probably be desirable to

- bring the SDLP into the loop. They have a better sense than the Irish of where the boundaries of a widely acceptable settlement lie and have shown themselves to be less ready to be blown off course by Sinn Fein sensitivities. Their influence may therefore be helpful in bringing the Irish Government closer to agreeing a realistic outline settlement, and they will also have sensible advice on the best way of handling any





- Heads of Agreement within the talks. Hume in particular will be crucial in determining the extent to which constitutional nationalism leans on Sinn Fein and responds to Unionist concerns.
- expose the emerging agreement to Sinn Fein. They will react very badly to any outline agreement which they have not been involved in striking (and that could blow back on Irish Government attitudes). Engaging with them on the substance of a deal may be uncomfortable but stands a better chance of keeping the Republican Movement on board. The engagement could be via the Irish Government but would be most effective if done directly in a meeting between HMG and Sinn Fein. They have set their sights on a meeting with Trimble (which seems most unlikely at this stage, although he has left open the possibility of doing so when they are ready to address a "realistic" agenda); but a direct negotiation with the British Government might be an acceptable fallback.

Thereafter we would need to consider how to brief the other parties, especially the Loyalists; and how best to play any Heads of Agreement into the talks process (where multilateral discussion involving Sinn Fein and the UUP might also help to improve the prospects for Republican acquiescence). There could be a direct relationship between progress in reaching Heads of Agreement and the prospects for securing UUP agreement to the proposed Strand 2 meetings in London (pencilled in for 26-28 January) and Dublin: they have argued that it is only worth moving the talks from Belfast when there is a prospect of something positive and constructive to discuss.

Ken Lindsay or I will write separately about possible changes to British constitutional legislation as part of the settlement.





I am sending copies of this letter to John Grant (FCO), Jan Polley (Cabinet Office), Veronica Sutherland (Dublin) and Christopher Meyer (Washington).

*Yours sincerely,*  
*R P Lemon*

**R P Lemon**  
**Private Secretary to Paul Murphy MP**  
**Minister of State**