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Prime Minister

NORTHERN IRELAND: THE YEAR AHEAD

1. We are to meet later this week. A survey of what is in prospect may be helpful. Northern Ireland has had a bad week, and we have made some necessary tactical adjustments, in particular to security force deployments. But the fundamentals have not changed. Nor should our policies change fundamentally.
2. We face a good deal of work and both challenges and opportunities. Events over the Christmas break were a reminder that, despite our best efforts, unforeseen events retain the capacity, if only temporarily, to dictate the agenda or context. Clearly INLA (and the CAC) and the LVF would like to capture the agenda from the political process - the rejectionist Republican groups in particular seek, by using the gun or the bomb, to capture the Republican inheritance from the Provisional IRA.
3. Some challenges can be predicted:
 - We have legislation before Parliament on parades, policing and Emergency Provisions.
 - The parades issue, on which we shall be nursing the Parades Commission into its new statutory responsibilities, could again become a dangerous focus of community division and challenge to authority, from either side.
 - Policing is an issue of touchstone sensitivity, difficult in both management and political terms. While the Bill, with sensible and a much needed reform, may be questioned by Unionists and Nationalists, the more fundamental issues - community policing, normalisation and downsizing - are linked to ending terrorism and achieving political progress.

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- Our review of Employment Equality, on which I hope to bring our conclusions to colleagues next month, is an area where further reform is needed but where careful management will be required if passions on both sides are not to be aroused.
- Managing peace or, more particularly, managing our response to whatever combination we face of continued or revived terrorist violence (at least from INLA and the LVF) and ceasefires, perhaps ambivalently maintained, will be important. The demands to "demilitarise" to foster peace., must be balanced against the demonstrated threat from the rejectionists (INLA, CAC, LVF) on both sides of the community.
- The management of terrorist prisoners will demand and will certainly receive, close attention. I have already announced a widened inquiry into the Maze, and that some measures have already been taken to improve the security and safety of inmates and staff.
- At the same time there are difficult issues (dealt with in separate papers) about expectations that a political settlement should justify, and be underpinned by, early prisoner releases. This issue is of vital interest to the Loyalist parties (as well as Sinn Féin) and may be critical in determining their attitude to the Talks process.
- Our own response to Bloody Sunday an issue which will be difficult to put to bed.
- The Bloomfield Commission on victims will continue its work.
- Many other activities such as electoral reform, an economic strategy and building confidence by high-profile visits and events.

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- Last, but not least, managing the end-game of the current Talks process so as to maximise the prospects of achieving a settlement by May or, failing that, providing as positive a platform as possible for subsequent progress. I will minute separately about kickstarting the process on its resumption on 12 January.

She is
not
doing so.

4. Each of these issues is important and a number of them could, at times, become critical and dominant. Our policies, taken together, need to ensure a coherent and mutually consistent address to them. Demonstrating that coherence and consistency and steady determination, despite the challenges, is more likely to secure and maintain confidence than any specific *ad hoc* measures taken in response to any single party's demands.

5. All that may provide sufficient challenge. But I believe we should, in addition, give priority to five linked and mutually dependent objectives:

(i) We must maintain, and be seen to maintain, a positive and proactive response to the IRA and Loyalist ceasefires. (Movement on prisoner issues is one issue on which they share interests.) At best these ceasefires will be strengthened; at worst we should avoid any perceived blame for their breakdown. The constraining principle for our response should be that the terrorists should be co-opted on democratic terms; not that the democratic process should be subverted to their unconstitutional expectations.

(ii) This may require, in addition to the political process, a proactive programme of reform which is justified on merits, and to much of which we are in any event committed. There are many candidates including policing, employment equality, signs and symbols, though none is politically neutral. It is worth recalling Adams' response in Downing Street, when asked about the reliability of the IRA ceasefire, that the only way to neutralise the physical force tradition in Ireland is to demonstrate that the democratic process can deliver.

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this is all
the
nationalist
agenda.

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(iii) And at the same time, we must seek to develop and maintain, in necessarily adverse circumstances, Unionists' confidence: both in HMG and in the viability of reform and political progress on terms acceptable to them. This will not be easy, partly because of a political culture of alienation and dependency, with well developed suspicions which events are seen to justify. The key may lie in ensuring that the Unionists community, and the UUP leadership especially, is well briefed on HMG's overall objectives, which properly understood are not of course hostile to Unionists' interests. Your own work with David Trimble on the Talks is critically important; but we need to ensure other parties also feel involved. (A recurrent theme from Loyalists to other minor parties is their sense that the real action is too often outside the Talks process.)

(iv) We must also maintain our close working partnership with the Irish Government. It shows every sign of wanting to reciprocate. There is also a welcome readiness to engage constructively with the UUP and, within limits, to be flexible in response. But the imperative political constraints on the Irish Government continue to be that it must retain the confidence of the SDLP at least and at the same time avoid any perceived blame for a breakdown in the IRA ceasefire.

(v) Pursuing these objectives will foster, and may in part be dependent on, advancing the Talks process and bringing it to fruition. Our objective remains securing by the end of May, or sooner, a settlement capable of securing approval in referendums, North and South. But we also need to preserve our room for manoeuvre so that, if this objective is not achieved, we are well placed to carry forward a programme of reform and change and to maximise our ability to secure a settlement as soon as possible afterwards. In any event political progress must be seen to continue. (The ceasefires enhance the prospects of a settlement; but if they break down the constitutional political parties need to demonstrate that they can and will continue.)

6. These efforts need to be supported by a proactive campaign to recruit public and political support, including from those from current political activity: business interests, the churches, the unions and women, as well as those on the fringes of the Republican and Loyalist communities - including those expressed for example by the loyal orders -

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whose deep concerns the paramilitary interests only inadequately articulate. This should include, but not be confined to, a positive information strategy, in which our new Communications Director will have a key role to play.

7. I am sending a copy of this minute to Sir Richard Wilson.

(SIGNED)

M.M

6 January 1998