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From the Principal Private Secretary

6 January 1998

Dee Hen,

NORTHERN IRELAND: HEADS OF AGREEMENT

Following the meeting with the UUP yesterday, the Prime Minister has spoken to both John Hume and the Taoiseach on the telephone this morning, and made reasonable progress with both. I have reported on this to Trimble.

Hume

The <u>Prime Minister</u> said he did not want to allow extremists to dictate the process and was therefore more anxious than ever to make progress in the talks through Heads of Agreement, as he had discussed with Hume some weeks ago. He hoped a short draft could be tabled early next week, and had suggested to Trimble that he should talk to Hume about what this should contain. Trimble was nervous but appeared willing, and it was worth while taking advantage of this. If the two governments and the two main political parties could table something, that would be excellent.

The <u>Prime Minister</u> went on to give Hume a brief outline of the Heads of Agreement: a constitutional understanding involving change to both constitutions, based on consent; a Northern Ireland assembly elected by PR; a passage on North/South relations (Trimble might be persuaded to accept the label Council for North/South co-operation); intergovernmental machinery to deal with relations more widely; and provisions to deal with equality and justice issues. The Prime Minister concluded that he hoped Hume and Trimble could meet quickly and agree on an outline on these lines. It would obviously not be binding on people but more a basis for negotiations.

Hume said he fully endorsed the Prime Minister's wish to make rapid progress, and agreed with the approach he had set out in general. But he was worried about excluding "some people" from the process. The parties

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themselves had always found it difficult to set out their positions, which was why he had told Dr Mowlam that the two governments should now take charge and set out the issues themselves. The Prime Minister pointed out the difficulties of the two governments alone tabling something, given the adverse reactions this would provoke. Hume mentioned the possibility of Mitchell doing it. The Prime Minister said this was indeed a fallback possibility, but the UUP were keen to work with the SDLP, and it was worth exploiting that.

Hume said he did not disagree, but the UUP were trying to exclude Sinn Fein, and he did not want Sinn Fein to have any excuses to go back to violence. The Prime Minister said that he had expected this problem. That was the purpose of suggesting that Heads of Agreement should only be a basis for discussion. Parties like Sinn Fein and the Loyalists would in any case need to be prepared for the tabling of Heads of Agreement, and not taken by surprise. Hume said he could see the point of this. There could perhaps be a day set aside for discussion with Sinn Fein and the Loyalists before anything was tabled. Even if they could not endorse the draft, they would at least know it was going to be tabled. In any case, he had no objection to talking to Trimble. But he wanted to reflect further on what the Prime Minister had said.

Ahern

The <u>Prime Minister</u> repeated what he had said to Hume about the madness of allowing extremist killers to dictate the agenda. His meeting with Trimble the previous day had gone reasonably well. He believed Trimble was on board for the idea of tabling quickly draft Heads of Agreement, at least as the basis for negotiations, to allow the huge amount of detailed work to start. Trimble was under pressure from Paisley and others, but he seemed willing to make the effort to out-flank them by having something positive to show. If a draft could be tabled by the two governments, the SDLP and the UUP, this would show the main protagonists working together, although Sinn Fein and the Loyalists would of course need to be carefully prepared, or even brought on board if possible.

The Prime Minister continued that he had tried on Trimble the draft Heads of Agreement which we had shown the Irish before Christmas. Trimble had seemed reasonably receptive. Of course the Irish had their own draft, and we wanted to work together. But he had nevertheless suggested to Trimble that he should talk to Irish officials tomorrow on the basis of our draft. If Trimble really accepted this as a basis for discussion, this would be a big step forward. The

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Irish would want to have their own input into the text, but he believed it was not too far removed from what the Irish had been working on. (Ahern agreed.)

The Prime Minister went on to say that he now had a clearer picture of where both the Irish and the UUP were on the question of North/South executive powers, and believed that the two positions were not too far apart. Trimble seemed to accept that there could be bodies underneath a North/South Council, in areas like tourism, which would have executive powers.

The Prime Minister concluded that he was anxious to move things on as quickly as possible, since if things were not moving forward in Northern Ireland, they would almost certainly move backwards.

Ahern asked whether he understood the Prime Minister's strategy correctly. We wanted Trimble to use our draft Heads of Agreement with the Irish, who could discuss amendments as necessary, and wanted to have the SDLP on board too, and even Sinn Fein if possible. The Prime Minister confirmed this. He had already spoken to Hume, who had been reasonably positive but worried about Sinn Fein, although he had seemed to think this might be manageable if Sinn Fein were properly prepared. It might even be easier for them to be somewhat distant from any draft.

Ahern said that he shared the concern about Sinn Fein. The Irish would obviously have to work on them too. He asked about timing. The Prime Minister said that he would like something tabled on 12 January if at all possible, assuming the Irish and the UUP had a good meeting. The best possible CBM, for the Unionists and others, would be real progress in the talks.

Ahern seemed to accept this approach. He said he would be talking to Trimble himself later in the day. The Irish would obviously want to have their own input into the draft Heads of Agreement. He thought it might be possible for the four main parties to table something, as long as others knew what was coming. The Prime Minister would be aware that there had been an idea of the two of them making some kind of statement before the beginning of the talks. This was in fact an SDLP idea. It might still be appropriate, although the Heads of Agreement proposal might also supersede it. Perhaps this could be looked at again after the UUP meeting with the Irish tomorrow.

The Prime Minister said that, if Heads of Agreement could be tabled as proposed, this would enable him to argue with Trimble that there could be no

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more prevarication about negotiating properly in the talks, with all parties. Ahern welcomed this.

Trimble

I spoke briefly to Trimble to report these conversations. Trimble said he had now spoken to Ahern himself. This had been fine, although Ahern had suggested his people would want to flesh out our rather bald draft. He (Trimble) was prepared to consider some amendments but not a re-write. Trimble added that he would be in touch with Hume later in the day, after his visit to the Maze.

Comment

So far, so good. But I fear the Irish may try to overload the draft text with amendments to make it resemble their own.

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

M

JOHN HOLMES

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