



From: THE PRIME MINISTER
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cc PB
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John Holmes Esq
Private Secretary to the
Prime Minister
10 Downing Street
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30 January 1998

Dear John,

NORTHERN IRELAND TALKS: THREE DAYS IN JANUARY

The Prime Minister may find it helpful to have our analysis of the overall outcome of the Lancaster House meetings and what the prospects now are for moving forward in the negotiations.

Overall, despite the usual roller coaster ride, the three days of talks at Lancaster House were a success:

- the change of venue distanced participants from routine distractions, allowed a concentration on the talks and facilitated social and informal contacts;
- the grandeur of Lancaster House, the Prime Minister's visit, the seminars given by colleagues from the Scottish, Welsh and Home Offices and the extensive press coverage all reinforced the participants' sense of their importance in the search for long term peace and political stability in Northern Ireland;
- the exchanges leading to Monday's decision to exclude the UDP from the talks demonstrated an encouraging sense of common purpose (the eventual decision was virtually a collective one) and bolstered the

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integrity of the talks process by reasserting the fundamental significance of commitment to the Mitchell principles;

- the tabling of the two Governments' discussion papers on North/South and East/West arrangements represented a slight but significant rebalancing of the political scales which seems to have achieved the desired results. Republican concerns arising from the *Propositions on Heads of Agreement* have been stilled but the UUP were able to maintain their position of being willing to negotiate on the basis of the Propositions;
- with battle honours even, it proved possible to edge into a discussion, on Tuesday afternoon and Wednesday, of the substantive issues raised by the specific questions in the two discussion papers. (A matching paper on Strand 1 issues - from HMG - has now been circulated as a basis for substantive discussion in Strand 1 meetings in Belfast next week);
- those discussions saw the beginning of real engagement on a number of substantive issues, including the underlying question of how to reconcile competing identities. Several delegates commented on the significance and value of those exchanges. The SDLP again took a number of opportunities vigorously to challenge the Republican analysis;
- the discussions were also notable for a thoughtful contribution from Reg Empey of the UUP which acknowledged Republican sensitivities while explaining why Unionists had difficulty in engaging directly with Sinn Féin. This was widely perceived by other talks participants (and perhaps over played by some) as representing an "outreach" to Sinn

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Fein: Martin McGuinness' response was seen as "ungenerous" and the Irish and others put pressure on Gerry Adams to respond more positively the next day. Overall, Reg Empey's contribution probably achieved its desired objective of undermining tacit Irish and SDLP sympathy for a largely synthetic Sinn Fein debating point, although the issue clearly remains significant for Sinn Fein as a measure of the UUP's "respect" for their constituency;

- at a practical level the conclusion of the discussions in both Strand 2 and Strand 3 was that the parties should produce written responses to the substantive questions posed in the two discussion papers and that the respective chairs (Senator Mitchell in Strand 2 and the two Governments in Strand 3) should produce syntheses of those responses as a basis for further discussion. This should provide further opportunities for the two Governments, working with Senator Mitchell, to boost the momentum of the talks.

Moving the negotiations forward

The events of the past three weeks have helpfully confirmed our view of the parameters of any settlement. Broadly, the UUP can live with the Propositions (although Trimble is some way ahead of his party and the wider Unionist community) and Sinn Fein can live with the Framework Document. On substance, as the two documents are not inconsistent, the likely zone of convergence is clearer although there are many sensitive issues still to be explored in detail and the differences between the parties could yet prove unbridgeable. Sinn Fein may have been drawn in to expressing support for the Framework document but a consequence of that - as we have seen - is that

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the Irish Government will find it very difficult to negotiate constructively away from Frameworks, even though the UUP have made abundantly clear that they could not accept a settlement which was presented as being based on Frameworks.

On process the situation remains difficult. The Irish Government has shown that it can be unnerved by Republican tantrums and does not appear to have the capacity to join with us in preparing genuinely neutral papers designed to facilitate substantive negotiations within the talks. The UUP, partly as a consequence, distrust joint papers unless they are closely consulted; and all the other parties resent the UUP appearing to have an "inside track" with HMG. Meanwhile it has been difficult to persuade certain of the parties to come forward with realistic substantive papers of their own. The UUP has been nervous of revealing its hand and Sinn Fein has done little more than reiterate its maximalist demands.

However, we now have an opportunity to get the talks participants to debate the real issues. Over the next two weeks we will aim to extract their detailed views on future institutional arrangements in each strand, and on the various "rights" issues; and will seek to produce syntheses which will identify areas of agreement and disagreement and suggest how discussions might be taken forward.

Additionally, we will work with the Irish to prepare a discussion paper on constitutional issues which could be played in at or before the meetings planned for Dublin in the week beginning 16 February. (In so far as this should lead to a serious discussion about the detail of changes to the Irish

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Constitution it should help the UUP, especially as participants should be engaged in substantive discussion on new North/South arrangements during the rest of the Dublin meetings.)

It may well be the case, as the Taoiseach has suggested, that in due course the two Governments will need to give a further lead to the process by working up definitive proposals, but it is Dr Mowlam's and Paul Murphy's firm view that such proposals must be seen (like the *Propositions on Heads of Agreement*) to emerge from the talks process if they are to stand any chance of gaining broad support. In their view we should therefore concentrate over the next two to three weeks on promoting substantive dialogue in the talks and facilitating debate on the whole range of proposals and issues likely to be relevant to a settlement. That dialogue could point the way forward to areas of potential agreement, but as a minimum it should provide the raw material with which to assemble a more developed set of propositions which could credibly be presented as arising from the talks process. That would maximise the sense of common ownership and commitment among the parties which will be essential if any deal is to stick.

Such an approach will require the two Governments to resist Sinn Fein pressure for the two Governments to set out their detailed views on the issues under discussion; and will require us to resist likely Irish Government pressure to prepare (even on terms of purported confidentiality) a more developed common position at this stage. Either approach would immediately put the two Governments back into the position of negotiating as proxies for the various parties; the parties would have no incentive to engage with each other but would instead compete for the ear of either

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Government; the complaints from those on the outside track, for instance the PUP, could further destabilise the talks process; and there would be a real risk that any outcome would fail to win widespread support, less because of its substance than because of the way in which it was produced. Similarly, private undertakings to any individual party could give rise to difficulty: we may not be able to deliver and any such undertakings could well inhibit the process of barter and compromise which will be necessary to achieve a settlement.

We have, however, commissioned work internally on what a more developed set of Propositions might look like, to assist us in shaping the course of further discussion; and we will continue to update this in the light of developments in the talks.

I am sending copies of this letter to Private Secretaries to the Members of IN and to Jan Polley (Cabinet Office).

Yours sincerely,
A handwritten signature in dark ink, appearing to read 'R P Lemon'.

R P LEMON
Private Secretary to Paul Murphy MP

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