

~~CONFIDENTIAL~~
From: THE PRIVATE SECRETARY



NORTHERN IRELAND OFFICE
PARLIAMENT BUILDINGS
BELFAST BT4 3SS

Tel. Belfast (01232) 520700

cc PB
AC

John Holmes Esq
Private Secretary to
the Prime Minister
10 Downing Street
LONDON SW1A 2AA

9 February 1998

Dear John,

NORTHERN IRELAND: NEXT STEPS

Thank you for your letter of 2 February.

As you say, the main difficulty we face is about the nature of the process. Dr Mowlam welcomes the idea of a discussion with the Prime Minister about this. As we move towards the settlement it is clearly crucial that we in the NIO, managing the Talks process on a day to day basis, have a full understanding of the Prime Minister's views, both on substance and tactics. The issues are not straightforward and Dr Mowlam hopes that sufficient time could be found for a full discussion.

Dr Mowlam acknowledges that there is much in the Prime Minister's view that further real progress is most likely through efforts effectively outside the Talks process. But she believes that it is not possible to be definitive about that. The Parties have shown some ability to achieve modest agreement, if usually at a pace that is slower than we would like to see. But in any event we do have the process to manage; the Parties are now taking it seriously; and any deal is likely to involve, whatever is done outside the process, a significant element of multi-party interaction in the process. As events over Christmas demonstrated only too clearly, if we make too obvious a belief that the real action is elsewhere, the Parties in the process lose heart and, only too literally in some cases, go back to the streets.

Dr Mowlam is also clear that, despite the difficulties, the management of the process does require us to continue to work closely with the Irish Government. That might be different if the Independent Chairmen showed greater capacity for independent action and if they were involved in all three strands. But in practice they have shown themselves cautious and highly dependent on the Governments, and they do not figure in Strands 1 or 3.

~~CONFIDENTIAL~~

CONFIDENTIAL



On immediate steps Dr Mowlam believes we must continue to move forward on several fronts:

- We need to encourage and facilitate the growing engagement on substance in the process. Last week there were good discussions in Strand 1, with the UUP, the Alliance and the SDLP finding much common ground. Sinn Féin, quite properly, were under pressure for sticking to an unrealistic approach.
- On Strand 2, we hope the Independent Chairmen will be able to produce some analysis of the papers the Parties agreed to produce in response to the discussion document we tabled in Lancaster House: perhaps identifying common ground, outstanding issues and, more tentatively, options for resolving. We will certainly encourage that.
- On Strand 1, HMG as Chairman can undertake this. We have asked the parties for more detailed views on the institutional structure in Strand 1 by 11 February.
- On Strand 3, Dr Mowlam believes that there is little alternative to our trying to carry this forward with the Irish Government, despite the difficulties. As already mentioned, the Independent Chairmen play no part in Strand 3, and separate papers by the two Governments would polarise the other participants. In fact this Strand, embracing both the Intergovernmental Council and constitutional issues, has much to attract the UUP and it is important that we have the raw material for a good discussion of some of these Unionist-friendly issues during the Dublin session.
- On constitutional issues, we started work, building on the Joint Declaration and the Joint Framework Document, some time ago with the Irish Government. We also know the issue has featured prominently in the UUP's dialogue with the Irish Government, with encouraging results. We should like to carry this work forward with the Irish side, though without tabling any papers without clearance with you.
- At the same time it is important that we engage, in bilateral and other contacts, with all the parties individually. Dr Mowlam appreciates the importance of the Prime Minister's own contacts with the UUP and hopes that this can continue to be fruitful.

CONFIDENTIAL



CONFIDENTIAL

- We should keep closely in step with the Irish side, learning what we can of their thinking, but avoiding working with them on the Taoiseach's "overall paper" which he has, perhaps prematurely, advertised publicly. It might not be unhelpful if the Irish side were to table that unilaterally. It is very unlikely that it would carry the day, but parties might at least discuss it, and it would leave the way open for HMG subsequently to table something closer to the point of convergence.
- In the meantime, separately and privately, we shall continue to work on our own text, though it is important that as far as possible it draws on all that we learn of the parties' views in the process. It would be a mistake to be seen to attempt to "impose" our own views too early. Timing will be crucial.

UUP Views

You have shown us evidence of the UUP's latest thinking. This is interesting and constructive, but we do not believe it represents anything like the UUP's bottom line. If it did so there would be no deal. A number of features of their present position, which appears to be simply an indication of the next step they will take in the Talks process, are very unlikely to achieve acceptance by the other participants. A few points may serve to illustrate this:

- on Strand 1, the UUP's scheme is to appoint the Committee Chairmen who will serve as Heads of Department by an automatic formula guaranteeing fairness and proportionality. But in fact all policy is to be controlled by the Assembly as a whole operating by simple majority;
- the UUP continues to oppose the idea of a duty of service, which they caricature as involving penal sanctions. By contrast the SDLP have made clear that they could envisage not only a duty of service on a Head of Department to undertake his duties in the North/South Body, but also a similar duty to ensure that Heads of Department discharged their duties within Northern Ireland;

CONFIDENTIAL



CONFIDENTIAL

- the UUP are also adopting the position that Heads of Department, subject to the restraints of the Assembly as a whole, would not together form an Executive with collective responsibility. It is doubtful whether the Assembly as a whole could operate to achieve effective government;
- the UUP place the North/South Body within the umbrella of the Council of the Isles. If that is simply rhetorical assertion it may be acceptable, but it may involve more substantive difficulties.

Accordingly Dr Mowlam believes we should say nothing to the UUP to align ourselves with their own current negotiating positions. If a general message is given to them it should, in addition to encouraging the evident move to detailed substance, make clear that we see this as a negotiating position from which much further movement would be required to achieve agreement.

Engineering the End-Game

More generally, as your letter brings out, the difficult question is how we bring matters to a resolution in the end game. Dr Mowlam believes our objective must be to engineer a paper as a basis for the final single text negotiation. (In practice this may be broken into several component parts which can subsequently be brought together in a single document: for example a component on Constitutional Issues; on Strand 1; on Strand 2 Institutions and so on.) The difficulty is to arrive at this single text in a way which avoids it being repudiated from the outset by one side or the other. As already mentioned, if the Irish side do proceed to table a unilateral document, which might be no bad thing, especially if the Unionists would at least discuss it. It would give HMG maximum room for manoeuvre to produce subsequently its own document unilaterally at the right moment. We are of course well placed to do so partly because we are the only participant to feature in every strand; and partly because it is genuinely the case that our overwhelming interest, unlike that of the Irish Government, is to establish agreement among all the other participants.

CONFIDENTIAL

CONFIDENTIAL



Subject to that possible route, it is easier to see the dilemma than the solution:

- Bilateral consultations outside the process may work, particularly with the Prime Minister's close involvement. If the Parties (and indeed the Irish Government) were more discreet it would be easier. Your letter brings out the need to ensure that the UUP do not proclaim any privileged access they are given. The difficulty about this is that Trimble, under considerable pressure within his Party, needs to carry his colleagues with him. Whatever he decides himself, these internal consultations makes some leaking almost inevitable.
- The parties collectively could develop text and this route should not yet be discounted altogether. But they are likely to need considerable help from one or both Governments.
- The Independent Chairmen may have a role, particularly in Strand 2, but they are not well placed to develop the overall text. They do not figure at all in Strands 1 or 3 and they have shown little capacity to develop text independent of the governments.
- HMG's own role is crucial. In the normal course of events it is difficult for us to proceed unilaterally. But it is possible that the Irish Government by advertising their own drafting exercise, may unwittingly have provided us with the crucial room for manoeuvre.

Dr Mowlam's current thinking is that the final text may need to emerge from various different routes which might include the respective Chairmen of the different strands playing a leading role.

As your letter brought out, and as Dr Mowlam agrees, there is no safe and clear path through these procedural dilemmas. But if there is any difference of emphasis it arises from the view here that, while the Prime Minister's own role outside the process will be crucial, at least in the final stages, much may also emerge from the Talks process which, in any case, we must work closely with the Irish Government to sustain and carry forward.

Finally, we have been working on what needs to be done to sell any settlement in a referendum. I have endorsed a broad approach along the following lines. Briefly:

CONFIDENTIAL



CONFIDENTIAL

- the campaign has already started: we need now to be convincing people that the talks process itself is fair, principled and protects each community's interests, if the outcome is to be seen as legitimate;
- it is the parties who make the agreement who can best sell the agreement: they are the ones best able to address the different fears and aspirations in each community;
- if HMG is thought to take too interventionist or propagandist approach that could play into the hands of "no" voters: Ministers will want to put their support for the outcome on the record but a high profile campaign may do more harm than good;
- we should aim to mobilise the wider Northern Ireland society to make out the case themselves for agreement: I have already done much in this field.

My Secretary of State hopes to consider some of this in her discussion with the Prime Minister.

I am copying this to Jan Polley, Cabinet Office.

Yours ever,

A handwritten signature in dark ink, appearing to read 'Ken' or 'W K Lindsay'.

W K LINDSAY

CONFIDENTIAL