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Filed on:

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18.10

From the Principal Private Secretary

19 March 1998

Dee Hen,

NORTHERN IRELAND: NEXT STEPS

The Prime Minister and Dr Mowlam had a brief discussion this morning, following Dr Mowlam's return from Washington.

Dr Mowlam briefed the Prime Minister on events in Washington. She drew attention to the overwhelming good will towards us from the US Administration, and US readiness to help in any way they could. She also mentioned the strong US interest in a package to help bed a settlement down, after a referendum. She was keen to make an input into this process, and would be writing to the Prime Minister shortly.

On the talks themselves, Dr Mowlam made clear that there was no time to lose. It was also vital that the NIO and No 10 work hand in glove in the next few weeks.

The Prime Minister agreed. He was absolutely determined to reach a settlement by 9 April if humanly possible. There should be no let up in our efforts. He was willing to clear his own diary as necessary to achieve this. He was worried about the extent to which the parties might believe they could sell a settlement differently to their respective constituencies. This was no doubt unavoidable up to a point, but it could easily wreck a settlement. The process of negotiation remained difficult, given the problem of doing anything quietly. He thought the immediate next steps were for Paddy Teahon and myself to get things moving on the texts. He would then have to negotiate intensively with Ahern over the telephone, although this was not really satisfactory, and keep working on Trimble.

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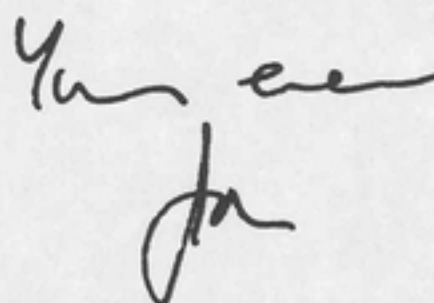
- 2 -

On the substance, the difficulty was knowing where the bottom lines of the various parties really were. He thought that Trimble's bottom line on North/South arrangements was a list of five or six bodies which would definitely be set up, with the North/South Council itself operating strictly within the mandate of the North/South Assembly, not itself implementing decisions, but setting up bodies which would implement them. Trimble was not at this point yet, but he believed he could get him there. He also believed Trimble's political strategy should be a good deal bolder. He should take on Paisley and others directly, making clear that they were out to wreck the chances of peace.

Dr Mowlam queried whether, if this was Trimble's bottom line, it would be enough for the Irish and Nationalists. The SDLP in particular would want more, not least on the powers of the North/South Council itself and the Secretariat. They had to have something solid to cling to, in return for giving up Articles 2 and 3 of the Irish constitution. They were of course interested in the equality agenda, as were Sinn Fein, but this would not be enough in itself.

The Prime Minister and Dr Mowlam agreed in conclusion that there was no reason to believe reaching a settlement would be any easier given more time. On the contrary, the chances of being blown off course, e.g. by acts of violence, were simply greater. We should therefore go all out for a settlement by Easter.

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



JOHN HOLMES

Ken Lindsay Esq
Northern Ireland Office

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