

FROM: JONATHAN STEPHENS
Associate Political Director (L)
8 December 1998



cc see distribution below

PS/Secretary of State (B&L)

PM'S MEETINGS WITH MALLON AND McGUINNESS

I attach short briefs for both these meetings, which ideally should reach
No 10 tonight.

(Signed)

A handwritten signature in blue ink, consisting of the letters "JS" in a stylized, cursive font.

Jonathan Stephens
Tel Millbank 6469

A handwritten date in blue ink, "9/12/98", written in a simple, vertical format.

cc PS/Mr Murphy (B&L)
PS/PUS (B&L)
PS/Mr Semple
Mr Jeffrey
Mr Bell
Mr McCusker
Mr Brooker
Ms Flanagan
Mr Hill
Mr Maccabe
Mr Warner
Mr Fergusson, RID
HMA Dublin
Mr Cary, Washington (for Mr Murphy's party)

DRAFT LETTER FROM PS/SECRETARY OF STATE

**John Holmes Esq
Principal Private Secretary to the Prime Minister
10 Downing Street**

MEETINGS WITH MALLON AND McGUINNESS

I attach separate briefs for these two meetings.

On North/South issues, we continue to believe that it would be worthwhile to play in a British paper this week, attempting to set out a single text on the detail of the 8 bodies on the table. Persuading Mallon that this is a helpful first step to re-engaging on the big issues next week should be one of the objectives for that meeting. Subject to how the Prime Minister gets on with Mallon, our plan would then be:

- to show the Irish side a revised draft of the paper on Thursday, which would attempt to take account of some of their detailed concerns on the previous draft, particularly on tourism;
- discuss it with the Irish side when the Secretary of State meets David Andrews for dinner tomorrow evening;
- with a view to persuading the Irish side that it should be played in on Friday as a paper prepared by British officials and is offered simply as an aid to further negotiations without replacing any of the papers already on the table.

With Mallon, it would also be worth touching on the bigger picture on decommissioning. In a speech last month, he said that if Sinn Fein dishonoured their commitments on decommissioning in the Agreement,

within the timescale set out in the Agreement (ie 2 years), then the SDLP would support their exclusion from Ministerial office. That was helpful as far as it went but did not satisfy unionists worried about setting a start date for decommissioning. It would be worth following up again the hint the Prime Minister got from Mallon at Hillsborough that he might just be prepared to accept that if decommissioning was not underway by the first anniversary of the Agreement, then the SDLP would take action.

Martin McGuinness is seeing the Secretary of State first thing in the morning: we shall pass on to you anything that is worth reporting. The leadership continues to keep all its options open. including securing greater freedom for manoeuvre on the issue of decommissioning. Our focus should therefore be on what is the right environment for them to use that freedom of manoeuvre - in particular, what guarantees are they looking for that the Executive/North-South Council etc would be delivered if they moved on decommissioning.

MALLON/PM: POINTS TO MAKE

Share your frustration

- Disappointed at last week's failure. But no point in public recriminations - stop the press release war.

Press on for a deal

- Unionists say they still want a deal by Christmas. I'm ready to be involved if there's clear signs of movement.
- Need to be realistic. Unionists won't accept more than 6 bodies at the start.

Possible options

- What's your bottom line? Could you:
 - accept, say, transport and Irish language as strong areas of co-operation?
 - or as areas agreed in principle for implementation bodies, but not established at the start?
 - accept your four areas (transport, tourism, economic development, EU programmes) even if Irish language left as area for co-operation (and sell it to the Irish and Sinn Fein)?

Next steps

- Ready to offer a paper this week, setting out detailed areas of agreement/disagreement on all 8 bodies. Without prejudice to all papers already on the table, and ultimate decision on numbers.
- Without it, worried there's no way of taking the issues forward this week. Even if there's a deal next week, risk of being tripped up by the detail again.

Big picture: decommissioning

- North/South has emphasised huge party difficulties Trimble faces.
- Welcome your reassurance that you would exclude Sinn Fein if decommissioning not completed in 2 years.
- But can you reassure unionists this requires an early start to decommissioning, or Sinn Fein are excluded? No arms by May would be a bad sign.

McGUINNESS/PM: POINTS TO MAKE

Big picture: implementing the Agreement

- Determined to press on to see progress on all fronts. Won't let Northern Ireland out of my sight: ready to get involved again directly it will help.
- North/South bodies can still be resolved by Christmas: then we must tackle decommissioning/Executive.

North/South

- Disappointed at last week. But emphasises real problems in Trimble's party. Must not play into hands of Agreement opponents.
- Key is to get North/South Council and implementation bodies set up, even if there are only 6 at outset with more to come later.
- Recognise importance of Irish language for you. Could that be met by giving it high priority in a NI department, with a strong North/South area of co-operation and even possibly promise of implementation body to come?

Decommissioning: need progress

- Once deal is made on departments and North/South, need to tackle decommissioning/Executive.
- If there's real progress on decommissioning, ready to use all my efforts/influence to get Executive up and running. But need some progress - de Chastelain can play a part but he needs some evidence to work with.
- Believe Trimble wants Sinn Fein in. The way to test him is to seize the initiative with some arms decommissioning.

- But no progress and repeated 'nevers' from the IRA cause me - let alone Trimble - real problems.