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PS/Sir K Bloomfield - B  
Mr A W Stephens - B  
Mr Chesterton - B  
Mr Miles - B  
Mr Spence - M  
Mr Daniell - M  
Mr Wood - B  
Mr J McConnell - B  
Mr Bell - B  
Mr Masefield - M

cc Mr Burns - B

POLITICAL DEVELOPMENT GROUP

The Secretary of State will be holding a 'strategy' meeting on 'talks about talks' later this week, probably on Thursday. Mr Burns discussed with Mr Chesterton, Mr Bell and me yesterday the desirability of having available an 'annotated agenda' for that meeting. I attach what is very much a first shot at a check-list of possible points, as a basis for discussion at tomorrow's PDG meeting.

(Signed)

D C KIRK  
Constitutional and Political Division  
19 April 1988.

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TALKS ABOUT TALKS - OUR STRATEGYCurrent Position

1. The Unionist 'outline proposals' presented at the 26 January meeting suggested a willingness to be constructive and flexible. Unionists seem now to be pressing for movement. The SDLP's public stance after their 29 March meeting also seemed positive. In private, they may be more constructive at next week's meeting than on the previous occasion. Although it seems unlikely that the parties will immediately be ready for useful dialogue between them, there may now be some prospect of political progress over the next few months. How should we proceed?

The long-term objective

2. We have been making clear that our objective is to move to or towards devolution, on a basis that could command widespread acceptability. We do not therefore rule out any changes in the structure of Government which could be agreed between the parties and which could represent 'steps on the road' to devolution. Unionists and nationalists appear to be prepared to go along with this broad objective. Although we would in practice be ready to contemplate any changes on which the parties could reach agreement, can we do better than continue to encourage dialogue in the direction of a devolved settlement - in the interests of peace, stability and reconciliation?

The Timetable

3. Public expectations of political movement are growing. There are at least two timetable constraints over the next few months: the marching and holiday seasons (which virtually rule out political business in July and August) and the Article 11 review of the working of the Intergovernmental Conference. The latter is

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something of a terminus ad quem: in the absence of tangible progress towards Unionist objectives by then, many will regard a major opportunity as having been lost. We shall probably need to have a fairly clear idea of the general handling of the review, agreed with the Irish, by about September. If it is to link up with internal political progress - and of course it need not - we may need to be clear about the possible linkage by the end of June/early July.

#### Meetings

4. Time is therefore pressing. We have fixed a second meeting with the SDLP. A further bilateral may be desirable. We are then committed to a further meeting with the Unionists. A meeting with the Alliance Party may also be helpful. It would seem desirable to broaden Unionist participation in talks beyond the two Leaders.

#### Shorter-term objectives

5. We know that we need to clarify SDLP thinking. John Hume may be prepared to be more positive. We are also encouraging the Unionists further to clarify and explain their position.

6. Can we help to establish any common ground? Both Unionists and the SDLP seem preoccupied in different ways with the North/South dimension to the government of Northern Ireland. Can points of potential agreement be established? Are there at least sufficient common themes to enable a dialogue to start? Perhaps as a minimum both parties could accept that the agenda of inter-party talks could include the Anglo/Irish dimension alongside devolution.

7. Even if some potential common ground for discussion can be identified - and we cannot be too optimistic - should we be pressing the two parties to start discussion, with or without HMG

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involvement? To an extent, we have been pressing them already. Is it best now to encourage them to make their own proposals for starting a dialogue?

8. Do we have any preferences for the form of that dialogue? Probably not - there seems no reason to rule out talks between the parties without HMG participation; some form of round-table conference involving Ministers; or a third party intermediary, if desired. It seems unlikely that any intervention with our own devolution 'scheme' would be helpful, unless the parties have sought our assistance in this way.

9. Any serious prospect of a devolved settlement could have implications for our handling of the Article 11 review. The achievement of devolved government would of course have implications for the Agreement as it stands. There seems no reason to close off any options on the Article 11 review or what we might say about political progress come November at this stage.

#### Other Factors

10. The SDLP/Sinn Fein talks are continuing. If they 'fail', as seems more likely than not, it seems unlikely that the SDLP would press for a Sinn Fein seat at any conference table (which we have already ruled out). For the present, it seems best to let John Hume fly this kite and keep our distance; but we might have to explain to him at some stage that continuing talks with Sinn Fein could put political progress at risk.

11. Any link-up between internal political development and the Article 11 will need Irish support. Should we be taking them more into our confidence on political development? Are there ideas we want now to put to them?

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12. How much progress we can make by mid-summer could well be determined by 'external' factors - e.g. a worsening of the security situation (or an improvement in it), and perceived 'gains', or 'losses' by unionists and nationalists (e.g. in the administration of justice, West Belfast or Harland & Wolff). Is there any specific action we should be taking to improve the climate for political progress?