

C O N F I D E N T I A L

The main outstanding matter concerned the Secretariat. My Secretary of State explained to them clearly that there was no question of our suspending the Secretariat or "closing down Maryfield". It was an essential tool and in any case something to which we were committed by an internationally binding agreement. In the event, and after 2 intervals for them to consult together, the Unionist leaders accepted a solution in a formula which perhaps suggests a little more than it means. At the appropriate moment we would say "As the Conference will not be meeting between date x and date y, the Secretariat at Maryfield will accordingly not be required to discharge its normal role of servicing Conference meetings provided for in Article 3 of the Agreement." The Unionist leaders realised that this did not amount to a great deal but they were prepared to accept it.

The Unionist leaders continued to make it clear that they do not wish to enter into discussions with the Irish Government on relations between a possible devolved Government and the Republic at once - and the Secretary of State agrees with them that there is no substantive need for this - though they would, once substantial progress had been made on the internal discussions, be happy to talk to the Irish as part of a UK team.

The Secretary of State also reached with them a provisional understanding about the next steps and the structure of talks. They are content to have further unpublicised meetings with officials to prepare the ground before any "gap" is announced. After the gap they see a possible need for bilateral meetings between my Secretary of State and the various political parties, though they will join in an early plenary inter-party meeting and in any event see the bilaterals leading to multi-party talks.

As was perhaps inevitable my Secretary of State's provisional agreement with the Unionists on these points departs to some extent from the letter of the agreement with the Irish, although

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he believes that it is fully within its spirit, and in any case represents the best that can be delivered. In particular the notion that the Unionists will join in discussions with the Irish only after substantial progress has been made on the internal discussions is obviously at variance with the Irish wish for the three sets of talks to be conducted "in unison". My Secretary of State will also need to ensure that the Irish would go along with the forms of words on the Secretariat and on the announcement of what they have so far insisted should be a "natural gap". There is also a difference of emphasis, which may be more important to the Irish symbolically than it seems to be in substance, about the way in which the heads of the Secretariat may participate in the East/West and North/South talks. The Unionists accept that each Government can bring to these talks such official advisers as it wishes. They however would hope that neither side would place any public emphasis on the participation of the heads of the Secretariat as such.

My Secretary of State hopes to be able to meet the SDLP tomorrow, followed shortly by a meeting with the Alliance Party. Equally, he also needs to have a further exchange with Mr Collins and we are seeking to arrange a time for this, next week if possible. In the meantime the Irish have been given, through the Secretariat, some limited account of what took place, partly to encourage Mr Haughey to maintain his relatively discreet line in public (which he did in Dail questions today).

The Secretary of State hopes that the Prime Minister is content with these arrangements. He will of course keep the Prime Minister closely informed.

I am copying this letter to Stephen Wall (FCO) and to Sonia Phippard (Sir Robin Butler's office).

Yours sincerely,

Stephen Heady

Hidden copies

PS / S. of S. (L+B) - m

PS / M. of S. (L+B) - m

PS / Dr. Mawhinney (L+B) - m

PS / PUS (L+B) - m

PS / Sir K. Bloomfield - m

Mr. Burns

Mr. Ledlie - m

Mr. Thomas

Mr. Alston - m

Mr. Wood (L+B) - m

Mr. Hill

Mr. Blackwell

Mr. J. McConnell - m

Mr. Daniell - m