

Mr. Walsh 397/92*Mr. Murphy* PAGE 01

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Kathy

PRIME MINISTER

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MUFAX ROOM
STORMONT HOUSE ANNEX

NORTHERN IRELAND: POLITICAL TALKS

AS you know, the talks have survived a critical moment. I have not yet proposed the launch of Strand II. But we have agreement for a meeting of all the Strand II participants this week to discuss a possible agenda for Strand II. This will be the first time the Unionists have sat down with the Irish Government for almost 20 years and probably the first time since partition that all shades of Unionism have sat down to discuss constitutional issues with the South. It remains to be seen whether this ingenious fudge, at length proposed by the party leaders themselves, will indeed enable further substantive developments.

2. How we got to this point is described in the attached Annex.

3. The agreement, which is acceptable to the Irish Government, is that there will be a meeting, this week, between representatives of the four parties and both Governments under Sir Ninian Stephen's chairmanship, to discuss a possible agenda for Strand II, which has explicitly not yet been launched.

4. In parallel, there will be a meeting between the two Governments, to which the parties will be invited to send observers, to give "preliminary consideration" to Strand III issues (intergovernmental relations).

5. The hope is that these meetings will enable the Irish Government and the SDLP on the one hand and the Unionists on the other to see the colour of the other side's money. The Unionists will either need to perceive a sufficient incentive to concur in the launch of Strand II in the absence of further substantive developments in Strand I, or will need the SDLP to lift its

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reservations on the framework for new political institutions in Northern Ireland which has secured the agreement of the other three parties in the discussions so far in Strand I. In particular the meetings should help to reassure the Unionists, eg by demonstrating that Article 3 and 3 of the Irish Constitution really are on the table for negotiation and that the two Governments are prepared to contemplate changes to or a replacement of, the Anglo-Irish Agreement. It may also give the SDLP and the Irish Government assurance if the Unionists tacitly accept the continuation of something like the present IGC.

6. Meanwhile the Strand I sub-Committee is continuing its work, initially concentrating on various technical issues - finance, arrangements for the protection of individual and community rights, measures to recognise and accommodate cultural diversity etc.

7. It is not clear that all the parties have the same understanding of the political "deal" which underpins these arrangements and we may need to work quite hard on the Irish Government to persuade it to take a positive line in the meetings at which it will be represented. Sir Ninian, whom I have seen this morning, may also have a difficult meeting to chair in his first outing. We are taking steps to shape everyone's expectations and to put ourselves in a position to exploit all the proposed meetings to maximum effect.

8. We have just heard that Mr Andrews has told Sir Ninian that the meeting can only be on Friday 19 June, that he will attend it himself, and that that must be for one day only. This reflects the adroitness that has characterised Mr Andrews' interventions hitherto, and does not augur well. We will try to induce greater flexibility. I have already explained to him that it is the real substance of Strand II that will be discussed here, under the guise of considering the agenda. This seems to have slipped his mind. But brusquerie on his part is likely to cause a noisy exodus. Poor gentle Sir Ninian.

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9. Our objective in both meetings should be to facilitate the gaining of reciprocal reassurances. These might be informal or formal, but the aim must be for sufficient understanding to be secured to enable all the parties to move towards the formal transition to Strand II. As far as the UK Government is concerned, I propose to be guided by the objectives for Strands II and III which I set out in my NI paper of 15 May. So, in these two preliminary meetings, we would ensure that Strands II and III could make possible an outcome in which:

- the Irish Government agrees to Unionist demands for the removal of the territorial claim in Articles 2 and 3;
- agreement is reached on new North/South institutions which do not erode UK sovereignty but which do not preclude development by mutual agreement; and
- a successor is agreed to the Anglo-Irish Agreement which commands wider support in Northern Ireland and includes a role in the Conference for Northern Ireland politicians.

10. An important feature of Friday's discussions was the increasing isolation of the DUP from the other three parties and the emergence of a serious split within the DUP which Dr Paisley had great difficulty in managing. One faction, led by Peter Robinson, are keen to do a deal if possible; the other, led by the other DUP MP Willie McCrea (who was absent on Friday, having just returned from recording another Gospel album in Nashville, but whose acolytes argued his corner vigorously) are much more irredentist.

11. The programme we are now pursuing was originally proposed by Mr Molyneaux, probably with Mr Hume's encouragement; Dr Paisley's inability to deliver clear support for it from the DUP generated

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considerable irritation in the UUP delegation. Over the weekend Dr Paisley has issued a fairly hardline statement to the effect that "Strand II cannot take place until institutions for the Government of Northern Ireland are agreed" and I received today a pretty truculent letter from him. The skies, however, have now cleared again. He needs cover within his party while continuing the talks.

12. Your own exchanges with the Taoiseach in Rio and Sir Robin Butler's meeting with the Irish Cabinet Secretary, Mr Nally, have helpfully demonstrated that the Irish Government has a reasonably pragmatic approach though it remains to be seen whether Mr Andrews and Irish DFA officials share the pragmatism of Messrs Reynolds and Flynn. We may also be able to pick up some of the points you made to Mr Reynolds about the workplan for Strand II in the context of this week's agenda-setting meeting. I see no need at present for you to have a further word with Mr Reynolds unless our contacts with the Irish Government in the early part of this week suggest that they are likely to be insufficiently forthcoming in the two meetings in which they will be involved,

13. Equally, there is no case for you to see the Northern Ireland party leaders just now though the situation changes almost daily and we may need to revert to the idea if the current programme of work gets stuck.

14. I am sending copies of this minute to the members of NI and to Sir Robin Butler.

Signed

15 JUNE 1992

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CONFIDENTIAL**ANNEX****LATEST DEVELOPMENTS IN THE POLITICAL TALKS**

1. Jeremy Hanley's sub-Committee produced a report on 10 June which sought to express the greatest possible degree of common ground on possible new political institutions for Northern Ireland. There is in fact a considerable measure of agreement: all parties agreed that there should be a new Assembly for Northern Ireland with a range of Departmentally-related and other Committees, posts on which would be distributed in proportion to party strengths in the Assembly.

2. The Unionists and the Alliance Party are prepared to contemplate, in certain circumstances, the establishment of a small separately-elected "Panel" with significant consultative, monitoring, referral and representational functions. This would respond to SDLP concerns to secure some "separation of powers" between any Assembly (which could be expected to operate by majority decision taking) and another body (which would be required to operate by consensus) which could act as a brake on the system to prevent unfettered "majority rule".

3. There is considerable agreement, subject to Parliament's views, on the nature of any links between any new political institutions in Northern Ireland and the Westminster Parliament (and the UK Government system more generally); and considerable agreement on how those institutions might seek to pursue Northern Ireland's interests within the EC, subject of course to the acknowledgement that HMG would represent the whole of the UK in the Council of Ministers.

4. The 10 June report did, however, highlight some fundamental areas of disagreement:

- (a) it recalls the earlier report (of 1 June) which left open the possibility that if the outcome of the talks taken as a whole did not seem likely to give expression to the Irish identity of the minority community in Northern Ireland, the SDLP might reactivate its

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nominated by the British and Irish Governments and the EC should be appointed to the Panel;

- (b) the SDLP has reserved its position on the proposal, now endorsed by the other three parties, that the Northern Ireland Departments should be run by the Chairmen of the relevant Assembly Committee. The SDLP fear this could make the Heads of Departments prisoners of the Unionist majorities on each Committee. If this concern cannot be adequately addressed they would want the Heads of Departments to have an independent source of authority (possibly from appointment by the elected members of the Panel);
- (c) the SDLP has also reserved its position on whether the Assembly should have sole legislative responsibility in respect of "transferred" matters in Northern Ireland, again on the grounds that this could lead to domination by the majority. They may prefer the Panel to have a stronger role in legislative matters.

5. On Thursday and Friday during two long days of intensive plenary and inter-party discussions and meetings between the party leaders and myself, severally and together, the SDLP refused to lift their reservations and the Unionist parties made clear that unless this happened (or unless the Government was

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prepared to commit itself to all the elements of the 10 June report, including those parts to which the SDLP reservations applied) they would not be prepared to participate in the North/South strand of the talks.

6. It was only when I made it clear to the party leaders that I stood prepared to adjourn the talks indefinitely that they finally managed to do a deal. The attached press statement was eventually issued late on Friday.

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