

Covering SECRET

FROM: SIMON ROGERS
PS/SECRETARY OF STATE (L)
18 OCTOBER 1994

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DESK IMMEDIATE

In hand - V.V. meeting

- cc: PS/Secretary of State (L&B)
- PS/Sir John Wheeler (L&B)
- PS/Michael Ancram (L&B)
- PS/PUS (L&B)
- PS/Mr Fell
- Mr Legge
- Mr Thomas *2/10/94*
- Mr Watkins
- Mr Bell
- Mr Steele
- Mr Williams
- Mr Wood (L&B)
- Mr Brooker
- Mr Daniell
- Mr Perry
- Mr Beeton

1. Can you start work on this
2. Mrs has confirmed (i) part of conference in W followed (if they want) by US conference in USA. Speech that makes this clear. (BF can provide more details.)
3. History community divisions aspect of PC as new idea on carry. relations. But JFD views?

MR STEPHENS

*Mrs Kenny
pla.*

e 10.0

IRA CEASEFIRE: NEXT STEPS

Please see that attached letter from Roderic Lyne covering a draft speech for the Prime Minister.

2. Mr Lyne would like comments on the speech, of substance rather than of a textual nature, and has listed specific areas to be focussed on. I should be grateful for your comments on paragraphs a, b, c, d and, as far as it falls to the NIO, f, for Mr Steele's comments on paragraphs e and g and for Mr Watkin's comments on paragraphs i, j, k and l.

2. I should be grateful if I could have your comments by 18.00 tonight please (experience shows that we need to move quickly on No 10 drafts if we are to get our comments taken on board).

SIGNED

SIMON ROGERS
PS/Secretary of State (L)
OAB Ext 6461
18 October 1994

Covering SECRET

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S/61/94

1075/56/94

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

17 October 1994

*John Martin,***IRA CEASEFIRE: NEXT STEPS**

Please give this letter and its enclosure the most restricted distribution practicable. It is essential to the Prime Minister that there should be no leaks of his forthcoming speech. You may wish to clear individual sections of the speech without distributing the whole text widely.

I sent you an advance copy this morning of the text which the Prime Minister and I worked up over the weekend, following discussions with your Department.

I now enclose a copy which I have tidied up in a few places. I have amended the references to Strand One proposals in the light of my telephone conversation with your Secretary of State.

I enclose an alternative formulation of the passage on "permanence" which I have not yet shown to the Prime Minister. This is of course one of the most sensitive aspects of the speech, and I am sure that you will wish to offer further thoughts on it.

The Prime Minister will not want the draft speech copied to NI Committee, and it will not be feasible or necessary to discuss all elements in it at Thursday's meeting. However, we shall need to establish agreement on the various elements in the course of this week, and I should be grateful if you could now carry this process forward.

The main substantive points requiring further work, as opposed simply to textual refinement, are:

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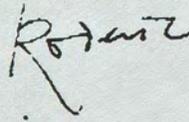
- (a) "Permanence" and timing of exploratory talks: for discussion in NI Committee.
- (b) Commitment to publish the Joint Framework Document: aside from reaching agreement internally, we must decide how and when to notify the Irish Government.
- (c) Commitment to publish strand one proposals: for internal agreement.
- (d) Loyalist paramilitaries: the draft speech contains guess work on how we should approach dialogue with political representatives of the Loyalists. You will doubtless wish to refine this.
- (e) Opening of border roads: will it be possible to time the next set of decisions for the end of this week?
- (f) Exclusion Orders: as we agreed on the telephone this morning, you will approach the Home Secretary. Please let me know if he or your Secretary of State sees difficulty with the idea of lifting the orders on Gerry Adams and some others.
- (g) Weapons amnesty: will it be possible to make this announcement? What needs to be done in preparation?
- (h) Future policy on policing: this is obviously an important point for inclusion in the speech, but the existing text is, again, guess work to be refined by you.
- (i) Investment Conference: another guesstimate. The Prime Minister wishes to announce that we shall be holding an investment conference in Northern Ireland (and to pre-empt any move by the Americans to convene the first conference or hold it in the United States) but you will wish to adjust the details.
- (j) European Community assistance: see my earlier letter today.
- (k) Future public expenditure on Northern Ireland: you will need to negotiate this passage with the Chief Secretary. Please let me know immediately if you run into difficulties.

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- (1) Community relations: can we insert some more specific proposals or pledges? Archbishop Eames will be stressing this aspect in his presidential address to the Diocesan Synod tomorrow. For example, is there scope to build up existing efforts into a new initiative (with a suitable title) which the Prime Minister might announce?

Yours man,**RODERIC LYNE**

Martin Howard Esq
Northern Ireland Office

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THIS TEXT HAS NOW BEEN
APPROVED BY THE P.M.

speech\ni.iod

NORTHERN IRELAND SPEECH: PERMANENCE PASSAGE

(Alternative version)

Let me set out the next steps I propose to take.

Clearly our task now is to make sure that the ceasefire will be for good. We must aim to make it unthinkable [or "as difficult as possible"] for anyone to contemplate a return to violence.

Throughout the last seven weeks, Sinn Fein and the IRA have sought to convey the impression that the ceasefire is for good, but they have not stated this unambiguously. Because they left scope for reasonable doubt about their intentions, I have resisted pressure to set an early date for the exploratory talks. We have deliberately reviewed their behaviour over an extended period.

From this, we can conclude that the ceasefire has held. The actions of the Provisionals have been more compelling than their words. The significance of this seven week period is beyond doubt.

I therefore believe that it is now right to make a preliminary working assumption that the ceasefire is intended to be permanent, and to seek further confirmation of this by moving towards the exploratory talks. I know that this judgement is supported by a wide range of leading figures in Northern Ireland.

The exploratory dialogue between representatives of the Government and of Sinn Fein will be a crucial stage. It is through this dialogue that Sinn Fein will make a transition to normal political life. We shall explore how Sinn Fein will enter the political talks process. How it will come to play the same part as the

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existing constitutional parties in Northern Ireland's public life. And we shall have to consider very carefully the practical consequences of the ending of violence, so that all can be assured that the gun is forever taken out of Northern Irish politics. It will soon be time to begin that work.

So I am prepared today to set a target date for the beginning of this transitional phase.

If we can continue reasonably to assume that Sinn Fein is establishing a commitment to exclusively peaceful methods; that the IRA continues to show that it has brought terrorism to an end; then we shall be ready to convene exploratory talks between Sinn Fein and officials of the British Government before this year is out.

Our basis for holding these talks will remain exactly as we stated many months ago. It is that there must be a genuine commitment on Sinn Fein's part to use only peaceful methods in a democratic political arena. We shall expect to see continuing practical evidence of this commitment in the weeks and months ahead. We shall not be able to proceed if it is called into question.

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Words: 3695

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As at 17/10/94 (1730 hours)

DRAFT SPEECH TO INSTITUTE OF DIRECTORS LUNCH

Mr Chairman,

From the moment I stepped into Downing Street, I have believed that the overwhelming majority of the people of Northern Ireland wanted peace. Over the years they have demonstrated this in countless ways - the remarkable peace movement of the []; (etc).

It was this conviction that gave birth to the Downing Street Declaration last December which I agreed and signed with the Taoiseach, Albert Reynolds. An opportunity for peace existed and we both wished to take it.

The Downing Street Declaration offered that opportunity. It was intended both to isolate the men of violence from the support they had previously received and offer them a route back into legitimate politics.

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When I spoke to your Institute's annual dinner in March, many people within Northern Ireland and outside had lost hope that the Downing Street Declaration could lead to peace. I mention this only to remind people that we should not accept apparent set-backs. There may be more. And, if there are, we should persist and overcome them.

I expressed hope against the prevailing wind. Today there is a chance - a chance not a certainty - that hope would become reality.

Seven months after I last spoke to you, seven weeks after the IRA ceasefire, seven days after the Loyalist paramilitary ceasefire, Northern Ireland is at peace. There is a different atmosphere abroad. Fear has been lifted from daily life. People have begun to take the bars off their windows. Trade in the High Street has gone up by [] since the beginning of September. Even sceptical commentators - with years of history to support their scepticism - are beginning to wonder whether, perhaps truly, a corner has been turned.

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This is a very encouraging beginning. But it is only a beginning. We have to move on from it, towards a full return to normal, lawful, democratic life. Towards a situation in which violence is no more than a bad memory. Towards a just and lasting peace.

We have practical obstacles to overcome and some of those will be difficult. But we also have history to overcome and that will be even harder. Old enmities, old suspicions, old fears still swirl around and often obscure opportunities that may lie ahead.

We are right to be cautious. But there is no entirely risk-free approach that will succeed. With care and with calculation we must judge the art of the possible and deliver it. And with consultation and with consideration we must carry with us the people of Northern Ireland.

I cannot promise success in our endeavour. But I do believe the chances of success are higher than for generations. Mr Chairman, you and your members

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will know almost better than anyone what benefits peace can bring to all sections of the community in Northern Ireland. For this reason I intend to sustain a careful and steady momentum towards a permanent peace.

Let me set out, therefore, the next steps I propose to take.

Throughout the last seven weeks the IRA and Sinn Fein have sought to convey the impression that the ceasefire is for good - but they have not stated it unambiguously to remove the doubts that are bound to exist.

There have been assertions and hints-a-plenty but also evasions and ambiguities. [They too have their audience and I can see why this might be. It might be that the ceasefire is real but tactically and for their own internal reasons they cannot say so; or it might be that they are preserving their position to return to violence. Only they know the answer to that question.]

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But the ceasefire has held. Their actions have been more compelling than their words. After twenty-five years, seven weeks is a short period but I see no risk now in making a preliminary working assumption that the ceasefire is permanent.

We need now to move towards a preliminary dialogue between representatives of the Government and of Sinn Fein. It is through this dialogue that Sinn Fein will make the transition to normal political life. It is a crucial stage. We shall explore how Sinn Fein will enter the political talks process. How it will come to play the same part as the existing constitutional parties in Northern Ireland's public life. And we shall have to consider very carefully the practical consequences of the ending of violence, so that all can be assured that the gun is forever taken out of Northern Irish politics. It will soon be time to begin that work.

So, I am prepared today to set a target date for the beginning of this transitional phase.

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If we can continue reasonably to assume that Sinn Fein is establishing a commitment to exclusively peaceful methods; that the IRA continues to show that it has brought terrorism to an end; then we shall be ready to convene exploratory talks between Sinn Fein and officials of the British Government before this year is out.

Our basis for holding these talks will remain exactly as we stated many months ago. It is that there must be a genuine commitment on Sinn Fein's part to use only peaceful methods in a democratic political arena. We shall expect to see continuing practical evidence of this commitment in the weeks and months ahead. We shall not be able to proceed if it is called into question.

Talks Process/Joint Framework Document

The exploratory talks will prepare the way for Sinn Fein's entry to the political talks process. It is through that process - not through any secret understandings, not through deals between London and Dublin - that we wish to secure an agreed and lasting settlement. And I repeat today the promise I have

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given before: when these talks between the constitutional parties are over we shall seek the approval of the people of Northern Ireland for the outcome in a referendum. This consent is essential.

But we now need to consolidate the considerable progress made so far, and to give these talks a sharper focus. To this end the British and Irish Governments have been working on a Joint Framework Document.

Let me emphasise: this document is not a blueprint to be imposed by the two governments. But it will be a set of proposals to serve as a basis for further discussion and negotiation. Nevertheless, I know that across Northern Ireland there is concern about what the document may contain. I wish to address that concern now.

The Joint Framework Document is not yet complete. There are still some important points which we have to resolve with the Irish Government. But let me say now that, when the document is completed, it will be published [and I

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intend to distribute a copy to every household in Northern Ireland]. I will do so because, before we engage in discussions on it with the political parties, I want the public to have a chance to express their views, directly to the two governments and to their representatives in the talks process. And I want the people of Northern Ireland to see for themselves that the Joint Framework Document is faithful to the principles of the Downing Street Declaration and to our constitutional guarantee that their future lies in their hands.

The Joint Framework Document is largely confined to relations between the two governments, and to setting out their views on the possible development of relations between Northern Ireland and the Republic.

But the British Government is also concerned with new arrangements for government within Northern Ireland. And this, of course, is a matter for discussion only between the British Government and the Northern Ireland Parties. We therefore intend to publish, at the same time as the Joint Framework Document, our own proposals on ^{of} a possible way forward within Northern Ireland. Like the Joint Framework Document, these, too, will be proposals for public discussion and to guide negotiation between the parties.

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We shall include proposals for an assembly which - if agreement can be reached - would reinstate local government in Northern Ireland. In so doing, without breaching the confidentiality of individual positions, we shall draw on what we have learned through Michael Ancram's bilateral talks with the parties. I am very keen to find an agreed basis for restoring local accountability and local democracy in Northern Ireland.

Loyalist Paramilitaries and their Political Representation

Let me now turn to the Loyalist paramilitaries. Their ceasefire is very welcome.

We want those who took up violence on the Loyalist side to be able to express their views through democratic representation. The Downing Street Declaration set out fair and balanced principles for all, and showed that the route to democratic politics was open to all who renounced violence.

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If former supporters and participants in Loyalist para-military violence now demonstrate their commitment to exclusively peaceful methods and the rule of law, there will be no bar or inhibition on their involvement in public life. But their participation will then depend solely on their democratic mandate. The circumstances of the Loyalists and of the Provisionals of course differ in that Sinn Fein is acknowledged as the political wing of the Provisionals and has demonstrated a level of support of around 10-12 per cent of the electorate. But there is no difference in the rules which apply. Political representatives of Loyalism will be treated according to their electoral strength, and Government representatives will, at the appropriate time, enter into contact with them. We wish to hear the democratic voice of the communities they represent, and to pay attention to their legitimate concerns.

Security

Our aim is to restore normal political life to Northern Ireland. It must equally be our objective to re-establish, as circumstances allow, procedures for law enforcement which are not governed by the need to counter terrorism.

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In this area, too, we shall move prudently. We shall not take risks with the safety of the population. We shall not make any concessions to those who defy the law or threaten others. We shall certainly not lower our guard prematurely. But the ceasefire since the beginning of September has already allowed the security forces and the Secretary of State to respond to a diminished threat, and this is a process we seek to continue by careful stages. This morning, for example, the Secretary of State has rescinded the closure orders on another [X] border roads, bringing the number of crossings reopened since 31 August to [Y].

Normality should mean return to freer movement between both the North and South of Ireland, and between Northern Ireland and mainland Britain.

I know that exclusion orders under the Prevention of Terrorism Act have been accepted as a constraint necessary for security reasons. But as a matter of principle, we all wish to see free movement within the United Kingdom.

The Home Secretary has reviewed this week all [?NUMBER] existing exclusion orders. For security reasons, he has decided that some of these orders must remain in force. As I have said, we shall not take risks with security.

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But I can announce today that the ceasefire has allowed Mr. Howard to lift the orders which excluded Mr. Gerry Adams [ADD OTHER NAMES: ANY LOYALIST NAMES?] from the British mainland. The Home Secretary will keep the remaining orders under continuous review, and naturally hopes that the ceasefire and the actions of the individuals concerned will allow him to lift other orders.

[OR:

Now we are moving towards preliminary talks. I can announce today that the ceasefire has allowed the Home Secretary to lift the orders under the Prevention of Terrorism Act which excluded Mr Gerry Adams [add other names] from mainland Britain (?any Loyalist names). The Home Secretary will review other Exclusion Orders on a case by case basis.]

Weapons and Explosives

I said earlier we will judge the para-militaries on both sides by their actions.

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So I have a second announcement which, like the lifting of Exclusion Orders, will help to prepare the ground for the exploratory talks. In those talks, as I have said, we must agree on how to take weapons and explosives out of politics. It is question we shall be ready to discuss with both Republicans and Loyalists, for the law applies equally to both.

But the process can get under way even before those discussions begin. From [?1 November] we shall be declaring an amnesty for those who have been holding illegal weapons and explosives. Arrangements will be made [so that the holders of these weapons can hand them in at designated points, and thereby demonstrate at once their commitment to Northern Ireland's peaceful future.] The amnesty relates to the holding of weapons and we will ensure they can be anonymously handed in. The amnesty does not extend to crimes committed which must still be dealt with by the full rigour of the law.

Let me turn now to the policing of the streets and of the countryside. We had to deploy additional troops in Northern Ireland from 19.. onwards because of the level of violence. While Northern Ireland remains part of the United

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Kingdom, there will always be a peacetime role for some members of the Armed Forces, just as there is in other parts of the United Kingdom. But as soon as the threat permits, we shall review the need for soldiers to patrol the streets; and it will be our firm objective to return over the longer term to exclusively civilian policing.

During the years of violence, the Royal Ulster Constabulary has not been able to operate in the same way as other police forces in the United Kingdom, for self-evident reasons. Its officers have shown extraordinary courage and tenacity in the fight against terrorism, and have made many sacrifices. They have every reason to look forward to lasting peace, and to the prospect of leading more normal lives. And they would be the first to recognise that an end to the threat of violence and the changing circumstances of Northern Ireland will require changes in policing.

Many of those changes are a very long way off. They will have to be brought in gradually. But it is right that we should begin to identify now some of the problems which have to be addressed. No groups can - or will be - allowed to

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take the law into their own hands. All sections of the community must enjoy equal protection from crime. And to ensure that this happens, we must build confidence in individual communities in their local policing arrangements. We must help each community to identify with, trust and respect the police. This is a task which we shall approach with a great deal of sensitivity. [The RUC will continue - assurance?]

Economic and Social Conditions

Mr Chairman, peace will, of course, boost Northern Ireland's economy. But it is equally true that the prospect of economic development will boost and consolidate peace.

The chance of a brighter future, of a better way of living, of more jobs, of security for families, is a powerful incentive for peace.

This needs action now. People must see the benefits now. We must generate

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confidence now.

And action is already under way. As I said in March, 74,000 extra jobs have been created here over a decade, and nearly £600 million has been invested by

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US companies in the last six years. Last year was also the best ever year for the number of jobs obtained by the Industrial Board - over 2300 from 13 projects. A trade office has been opened with Dubai & you will soon have your own Hilton hotel in a few years time.

MP. I am delighted to see that the business community is already preparing for the new opportunities for investment and job creation which peace will bring.

~~So are we. Tim Smith is heading a new initiative to promote inward investment. He has been to the United States, and I have been in touch with the European Commission. I can now announce the first fruits of this work.~~

! |

~~We have decided to convene an investment conference here in Belfast in [?December]. We shall be inviting investors and businessmen from Europe, the~~

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United States and the Far East, together, of course, with businessmen from Northern Ireland, Britain, and the Republic of Ireland. We are also inviting representatives of the United States government and of the European Commission. I hope that the Institute of Directors and CBI Northern Ireland will play a substantial part in the conference. Its central purpose will be to promote private sector inward investment, to take advantage of the attractive opportunities which a peaceful Northern Ireland will offer.

[The President of the European Commission has asked me to make a further announcement. This is that the European Commission is now studying, in a Task Force under his personal supervision, a new European Community initiative targeted at Northern Ireland. The initiative aims to underpin the British Government's own efforts to stimulate the economy and reduce the high level of unemployment. It will support projects to regenerate the inner cities, develop inward investment and tourism. Tourism, for example, contributes only 1.5 per cent to Northern Ireland's GDP compared with 33 per cent in the Republic of Ireland and 25 per cent in Scotland. The CBI estimate that this could double in five to six years creating up to 10,000 new jobs. While the final sums to be allocated to the Community's package have yet to be decided, I understand that M. Delors has a figure of at least £... of new money

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in mind.

And when I say new money, let me emphasise that this money will be in addition to the British Government's own expenditure plans for Northern Ireland.]

I will give you one more commitment, which I know to be of enormous importance here. As all are aware, there is a high level of public expenditure in Northern Ireland. Some people evidently fear that peace will cause us to reduce it. It will not. The social and economic needs of Northern Ireland are pressing. We need to build up the infrastructure, improve housing and services, and create an environment attractive to business and therefore to new jobs. Some jobs relating to security will inevitably go. It will be all the more important to have the means to replace them.

line words agreed with HM/T last week.

Some of the communities where there has been the strongest support for the para-militaries - in East and West Belfast - are also communities with the most

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pressing social needs. Peace will help us to address those needs. We shall listen to the local people. We shall consult their elected representatives. And we shall follow an approach designed to raise their quality of life across the board.

Conclusion

Mr Chairman, we are now in a new phase of the peace process. A transitional phase which will lead to exploratory talks and the first constructive and formal dialogue between the British Government and Sinn Fein in a quarter of a century. This depends absolutely on a commitment to exclusively peaceful methods. It is a commitment we seek from both Republican and Loyalist paramilitaries. The announcements I have made today should reinforce that commitment and demonstrate again that we are responding imaginatively and sensibly to new opportunities.

Every day without violence shows more clearly the benefits of peace to all sections of the community. Mr Chairman, more than ever the future of

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Northern Ireland lies in the hands of its own people. Not just of those leaders - the leaders of political parties, of the churches, of the business community - who have always stood by peaceful methods. But of all the people.

I know that they want peace. And they know that peace has not been bought through any secret deals or promises. They know of our commitment to the principle of consent, which is crucial to the Downing Street Declaration. They will be invited to comment on the Joint Framework Document. They will be asked to vote on the outcome of the three-stranded talks. They must establish a just basis for living together in the future, as law-abiding citizens free from the threat of violence.

Let me say this to each and every person in Northern Ireland. If you want peace, say so now. Loudly. Don't sit back. Get out and work for it. Go to your neighbours. Go to anyone you know who has ever supported violence. You have not had this chance in years and you cannot afford to miss it. Let your voices be heard. Ultimately you, and you alone, can ensure that Northern Ireland never goes backwards. And the benefits will be yours.

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For twenty five years violence has been the enemy of progress in Northern Ireland.

Progress has been achieved in spite of it - in the economy, in attracting inward investment, within the community. But think what opportunities have been lost, what could have been done to advance all areas of life here, if Northern Ireland had not been burdened with terrorism and the need to counter it.

Violence has, of course, afflicted political life. It has impeded local democracy. It has largely denied a generation of Northern Ireland's politicians the experience and responsibility of having to reach agreements and take decisions.

Violence has made community relations infinitely harder. Walls have been going up between the communities where we should have spent the past twenty five years breaking them down.

Violence has undermined the economy. For every million pounds of foreign investment we have seen, there should have been [?] [10 million?] [50 million?]. For every overseas visitor and tourist, there should have been

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thirty. For every hotel, factory or shop repaired after a bomb, we could instead have built a new one.

And violence has prevented us from achieving the right living standards in the least privileged areas, whether Protestant or Catholic, Unionist or Nationalist, Loyalist or Republican.

We cannot make up twenty five lost years of development overnight. Ceasefire declarations do not replace these immense losses. The violence has left us with a great many additional problems.

So we shall have to make an extra effort, indeed a Herculean effort. We must take advantage of peace to move forward as quickly as possible. We must show how peace can improve the lives of everyone in Northern Ireland.

And we must make the price of breaking the peace so high, that there would be no shred of sympathy, no glimmer of support, for anyone who contemplated using violence again.

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