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28 SEP 1998

LETTER FROM DAVID KYLE, PS SECRETARY OF STATE,
DATED 28 SEPTEMBER 1998 TO JOHN HOLMES RE PORTADOWN

CONFIDENTIAL

CC: PS/SECRETARY OF STATE (L&B)
PS/MR INGRAM (L&B)
PS/PUS (L&B)
MR WATKINS
MR BELL
MR MCCUSKER
MR STEPHENS
MR LEACH
MR KELLY (L&B)
MR MACCABE
MR MAY
MR PREISTLY
MR WARNER
MR CLARKE
FLOATS

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Can you ask
Shearson office
for background
material to this
7 28/9

John Holmes Esq
Principal Private Secretary to the Prime Minister
10 Downing Street
LONDON
SW1A 2AA

28 September 1998

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Dear John

PORTADOWN

The Secretary of State has seen your letter of 24 September recording David Trimble's concern (with which the Prime Minister sympathised) that the Government should continue its efforts to resolve the difficult problems in Portadown. She therefore thinks it may be timely to set out her view of the current situation and the way forward.

With her authority, officials have been working to find a permanent accommodation of the Drumcree parade issue and the wider problems in Portadown, via bilateral meetings with the residents and the District Orange Lodge. These are a follow-up to the indirect contact talks initiated by Jonathan Powell in July. On the plus side, this process has been successful in identifying a fair amount of common ground. Thus both sides:

- i. want a lasting settlement on parades - not just a one-year deal;
- ii. broadly agree on the shape of an economic initiative accompanied by a civic forum, including a sub-group involving the Orange Order and residents to discuss community divisions in Portadown, including parades. (While the sub-group would be a means of increasing understanding about parades and other divisive issues, it would not be able to re-open the lasting agreement referred to above);

- iii. accept (albeit reluctantly in the case of the residents) that the lasting settlement on parades and the establishment of the initiative/civic forum are interdependent: it will not be possible for one to proceed without the other;
- iv. have in principle agreed a confidence-building statement, to be held in private by both sides as an indication of good faith in the discussions and their commitment to making progress;
- v. are willing to discuss "arrangements for future parades"; and
- vi. agree that the timing of the next parade (ie when the "future" starts) should be addressed only after agreement is reached on future arrangements.

This last point is the most difficult: there is inflexibility on both sides on the key issue of the timing and nature of future parades down the Garvaghy Road. The Orange Order are fixated on achieving a very early parade to replace the one they "lost" in July, but refuse to engage directly with the residents or, indeed, the Parades Commission. For their part, the residents have at times seemed anxious to deploy their concerns about loyalist unrest, and the police response to it, more as a way of avoiding substantive engagement than as a stimulus to finding a lasting resolution of all the issues; and show considerable wariness when any prospect of real flexibility is offered them.

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The continuing disorder in Portadown underlines the urgency of finding an accommodation.

Trimble's recent difficulty was not an isolated incident: in the last few weeks there have been regular loyalist demonstrations, nationalist shoppers and business premises in the town centre have been attacked; a riot in a loyalist estate on 5 September left a policeman very seriously injured; and only last Saturday there was sporadic violence during a parade called to express support for the Orange position. While the Orange Order claim they are not orchestrating these events, their continued unwillingness to accept the Parades Commission ruling and the continuing presence at Drumcree Church of the District Master (Gracey) undeniably provide a focus for disorder.

In the Secretary of State's view, there is still scope for a significant forward move. (Officials have suggested that the next stage should be an outreach project under local council auspices at which the Orange Order could interact with the residents to increase mutual understanding of their respective cultural traditions; and (if this went well) a move to more direct negotiations, with the two sides in a single room but addressing their comments through an independent chairperson.) However, it is likely to need a heavyweight commitment of effort to achieve this transition. Dr Mowlam therefore believes that it would maximise the chances of maintaining the process and bringing it to a successful conclusion if Jonathan Powell were able to reinvolve himself at an early date. While she considers her officials have done well, for example in getting both parties to agree in principle to the confidence-building statement, she believes that the next phase, which we hope would give substance to an actual agreement, would require the added weight of the Prime Minister's authority and the impetus of No 10 involvement.

She would accordingly be grateful if the Prime Minister felt able to authorise Jonathan Powell's re-entry to the process. If he is content, officials here (David Watkins and Stephen Leach) could discuss with Jonathan the optimum arrangements for re-entry (which might perhaps come after a further round of bilaterals with the two sides).

As David Trimble rightly indicated, the continuation of this raw sectarian dispute at the present time, in the First Minister's own constituency, has a clearly negative effect on the process and provides a potential focus for widespread disorder. The renewed commitment of No 10 would, the Secretary of State believes, maximise the chances of achieving a successful resolution of this difficult issue.

A copy of this letter goes to Sebastian Wood.

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Yours David

C D KYLE