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From : THE PRIVATE SECRETARY

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Bup.



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John Holmes Esq
Private Secretary to
the Prime Minister
10 Downing Street
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20 January 1997

Dear John

NORTHERN IRELAND: FUTURE OF THE TALKS PROCESS

Your letter of 7 January recorded the Prime Minister's endorsement of my Secretary of State's decision to try to sustain the talks process, and to make progress in it, for as long as possible.

We had a series of bilaterals with the various parties, the Irish and the Independent Chairmen last week and we are now in a better position to assess the prospects.

Having reviewed the situation my Secretary of State has concluded that:

- The prospects for securing an agreement on decommissioning before the talks adjourn for the election period (which in Northern Ireland will last until after the District Council elections on 21 May) look somewhat better than they did at the beginning of last week.

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- Conversely, options for keeping the talks going or demonstrating constructive ongoing political activity in some other way (such as David Trimble seems likely to propose when he sees the Prime Minister tomorrow) look less promising.
- It is increasingly clear that without early forward movement in the talks the whole process will lose credibility, leaving a dangerous political vacuum; and the Irish Government and SDLP may finally abandon hope and begin to pursue a "new" talks strategy.
- The chances of pulling off a successful resolution of the decommissioning issue before the election may be classified as possible rather than probable, and there would be some downside risk in making the attempt; but in the absence of an alternative and given the risk of losing the whole process anyway, it would be worth making an all out final effort.

Success would enable us to set a firm date for the launch of the substantive political negotiations after the election period: that would reinforce the general credibility of the talks process through what might otherwise become a dangerous political vacuum and retain the commitment of the SDLP and Irish Government; it would help to stabilise the Loyalist ceasefire; and it would maximise the pressure on the Republican Movement to produce a genuine IRA ceasefire.

The bilateral consultations so far have revealed widespread concern to demonstrate the credibility of constitutional political activity, by contrast with the increased belligerency of the paramilitaries on both sides; and a

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growing awareness that the decommissioning issue must be tackled before any other progress can be made. David Trimble seems now to accept that decommissioning cannot be "parked" without rejigging the talks agenda, which would bring his party into conflict with the DUP and UKUP on ground which would be disadvantageous to the UUP.

Conversely the SDLP, pessimistic and conscious of being politically very exposed to Sinn Fein, are in no mood to settle for half measures and want the outstanding issues brought to a head in a way which will either force the UUP to support a realistic conclusion to the debate on decommissioning, or expose them to be intransigent. The DUP and UKUP continue to play a negative role, focusing on the case for excluding the loyalist parties from the talks, but all the other parties - with various degrees of desperation - are keen to see some forward movement.

The Irish have low expectations and have not been pro-active, but they were content for us to mount an active exploration of the scope for producing a possible compromise package on decommissioning. The Chairmen, while looking to the two Governments for guidance on the detail, also seem more ready than previously to deploy their independence and moral authority in presenting any such package.

David Trimble has not repeated the suggestion that the talks should be adjourned at the end of January. Indeed, he has commented that he did not go to the meeting with the Prime Minister on 19 December intending to make such a suggestion (a comment which is borne out by your note of the meeting). On the contrary, he is demonstrating a keen awareness of the dangers of political vacuum and has been exploring ideas for

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constructive political activity outside the framework of the talks process, which I gather he intends to expose to the Prime Minister tomorrow.

Mr Trimble has also authorised his negotiating team to discuss details of the UUP's position on decommissioning with us and has again hinted that in the right circumstances the UUP could drop its current demand for a prior tranche of IRA weaponry before Sinn Fein could enter substantive three stranded negotiations, a position which my Secretary of State has told him is inconsistent with the International Body's report, not supported by HMG and undeliverable because it is opposed by all the non-Unionist parties (including the Loyalists).

Detailed official level discussions with the UUP, SDLP and Alliance Party negotiating teams on the issues left outstanding from their pre-Christmas negotiations on the mechanisms for taking forward decommissioning suggest there is scope for compromise on that element of any package.

All these developments, taken together, provide a basis for believing that it could be possible to construct a compromise package capable of securing "sufficient consensus" support.

The key will be to provide sufficient reassurance that some decommissioning will take place during the negotiations (as the Mitchell Report suggests) that the UUP will indeed be able to drop their current requirement for a prior tranche of actual IRA decommissioning before Sinn Fein could join those negotiations. We are considering a number of options, including:

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- a statement of commitment from all participants to the implementation of the International Body's report, including its compromise approach to decommissioning, and a general acknowledgement that progress in the talks would only be possible on that basis;
- a mechanism for highlighting the position of those parties which do not live up to their commitments;
- a statement reflecting the expectation of the Government(s), and perhaps the UUP (? and others) that the commitment would result in progress on decommissioning alongside progress in the three strands; and an indication that they will work to achieve that;
- an independent mechanism (the Independent Chairmen - the authors of the International Body's report) for determining, on the basis of implementing the International Body's compromise approach to decommissioning, when decommissioning should be expected to commence during the course of the negotiations.

We have produced a first draft of a possible compromise package which incorporates these ideas. This is attached as Annex A. It builds on the existing contingent agreement on mechanisms while dealing with the outstanding points of disagreement; and sets out a timetable for resuming the talks after the election period, including a firm date for the start of substantive negotiations.

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The Irish will expect us to clear any package with them but we have reserved the right to present separate assessments to the Chairmen and leave them to make the final judgement. Ultimately, our aim is to choreograph a situation in which the Chairmen present a compromise package on these lines to the talks participants which, perhaps after a process of tabling, debating and voting on amendments (none of which would be likely to secure sufficient consensus support), could itself be voted through by sufficient consensus.

To achieve this, the greatest movement will need to come from the UUP. While we might feel that the UUP has some room for manoeuvre and would be well advised to differentiate itself from the DUP and UKUP by supporting a sensible and realistic compromise on decommissioning which opened the way to substantive political negotiations, they may not see things that way. Nervousness has been their hallmark for most of the past seven months and decommissioning has become a highly symbolic issue which the DUP and UKUP are adept at exploiting. The UUP might well refuse the fence.

We will need to draw out the reasons why it is in the UUP's interest to seek to resolve decommissioning before the election (see the checklist of arguments at Annex B); acclimatise them to the idea that the Chairmen are likely to table compromise proposals in an attempt to break the current stalemate; float some of our suggestions, to test their effectiveness; and, at the time any proposals are tabled, give them every encouragement to accept them.

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Tomorrow's Meeting

It seems likely that when David Trimble comes to see the Prime Minister tomorrow he will advocate efforts to promote ongoing contact and co-operation between the Northern Ireland parties outside the talks process as a way of demonstrating the continuing validity of constitutional political activity. He may develop some of Mr Molyneaux's earlier (somewhat inchoate) ideas for an "Economic Council", based on the Northern Ireland parties' representatives at Westminster, to advise Ministers on economic and perhaps social issues. Such notions seem quite insufficient to stabilise the situation. In any event, the SDLP and Alliance Party would be most unlikely to co-operate and in those circumstances Mr Trimble's ideas would fail to achieve their main purpose.

The Prime Minister's general objectives when he sees Mr Trimble might therefore be to:

- review the situation with him, reflecting the Government's determination to keep the talks process in being and avoid a potentially dangerous political vacuum;
- take receipt of his suggestions and undertake to consider how they could be played in, while making clear that by themselves they are not going to achieve the necessary objective;
- test whether the UUP is ready to go along with an attempt to resolve the issue of decommissioning

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before the talks adjourn for the election period. The Secretary of State and Michael Ancram can follow up on the detail of our proposals over the next few days.

The Loyalist Parties

The position of the Loyalist parties in the talks has indeed come under pressure. The DUP and UKUP have declined to make "representations" under the rules of the procedure but insist that the Government should itself take steps to exclude the Loyalist parties on the grounds that the Loyalist ceasefire has broken down.

As my letter of 20 January brought out, the question of whether the Loyalist ceasefire is declared to be in place or not is irrelevant: the issue is whether or not the Loyalists have "demonstrably dishonoured" the commitment the Loyalist parties made on 12 June to the Mitchell principles of democracy and non-violence. If there were a general return to Loyalist violence we would have to exclude the Loyalist parties from the talks in order to preserve our ability to do the same thing to Sinn Fein if there were any IRA activity after Sinn Fein were invited to join the talks.

So far as the Loyalists are concerned the evidence to date is mixed: there has undoubtedly been Loyalist paramilitary activity, including three under car booby trap devices, one of which seriously injured a leading Republican activist and one - earlier today - which came close to injuring a 5 month old child, but the Loyalist politicians are making considerable efforts to restrain their more militant

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colleagues and expulsion from the talks would weaken their influence in that regard.

Reflecting public concern, my Secretary of State has made clear to both parties that there is no excuse or justification for Loyalist paramilitary activity and that any continuation of it would make it very difficult for them to remain in the talks. Gary McMichael of the UDP has since reiterated his party's "active opposition" to the use of violence, which is helpful.

My letter of 20 January included lines to take which should remain valid for the next few days. We may be pressed again at the first plenary meeting of the New Year, on 27 January. My Secretary of State is hoping to pre-empt any formal representations (and deflate any criticism of the two Governments) by making clear that despite the absence of formal representations the two Governments have been concerned by recent example of Loyalist paramilitary activity and have themselves taken the initiative to consider the place of the Loyalist parties at the talks; but have concluded that it would not be appropriate to take any action at this stage.

Signed

W K LINDSAY

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ANNEX A

**POSSIBLE DRAFT PACKAGE FOR RESOLVING DECOMMISSIONING BEFORE
THE ELECTION (Draft 20.1.97)****OPENING PLENARY AGENDA: COMPLETION OF ITEM 2**

1. The participants in the multi-party negotiations hereby commit themselves to work constructively and in good faith to secure the implementation of all aspects of the report of the International Body, including the compromise approach to decommissioning envisaged in paragraphs 34 and 35.
2. The participants welcome, as an important step towards the implementation of the report of the International Body, the progress made by the two Governments towards the enactment of appropriate enabling legislation in their respective Parliaments which will provide the statutory basis for giving effect to the International Body's recommendations on the modalities of decommissioning.
3. The participants agree that
 - the mechanisms for achieving further progress on decommissioning alongside progress in the three strands should comprise an Independent Commission and a Liaison sub-Committee of plenary. There should also be a sub-Committee of plenary to consider developments in relation to confidence building measures. The respective roles and responsibilities of the Commission and the two sub-Committees should be as set out in the attached Annex;

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- those mechanisms should be formally established [following consultation between the Governments and the parties on the identity of potential members of the International Commission] in time for their first meetings to coincide with the launch of the three strands of substantive political negotiation;
 - if the business of the opening plenary session is not completed before the UK General Election it should resume within [2] weeks of the election (unless that would mean meeting after [30] April, in which case the opening plenary session should resume on [2] June). In either case the Chairman is invited to ensure that the business of the opening plenary session is completed by [4] June;
 - the three strands of substantive political negotiations should commence on [9] June.
4. The participants agree to work constructively and in good faith with the Independent Commission to enable it to carry out its role, in the context of an inclusive and dynamic process in which mutual trust and confidence is built as progress is made on all the issues of concern to all participants. A reality for all present and future participants is that progress in the negotiations will only be possible on this basis;
5. The participants invite the Independent Chairmen as a group to review progress in the substantive political negotiations on a regular basis; consult with the Liaison sub-Committee on the conditions necessary for mutual decommissioning to occur; and, in the light of that and on the basis of implementing the International Body's compromise approach to decommissioning, offer an opinion, as soon as they judge during the course of the negotiations that the time is right, that the circumstances are such that mutual decommissioning should be expected to commence.

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6. The participants also invite the members of the Independent Commission, following their appointment, to draw attention to any case in which a participant demonstrably dishonours the commitment referred to in paragraph 4 above.

7. For their part, the British Government and the Irish Government, the UUP [and others] would expect to see the commitments referred to in paragraphs 1 and 4 above reflected in due progress on decommissioning alongside progress in the substantive political negotiations; and will work to achieve that. If mutual decommissioning does not commence after the Chairmen have offered an opinion on the lines referred to in paragraph 5, they reserve the right to reconsider whether sufficient confidence still exists to provide the basis for further progress in the political negotiations.

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ANNEX

1. Liaison Sub-committee of Plenary on Decommissioning

A Liaison Sub-committee of Plenary on Decommissioning (the Committee on Decommissioning) shall be established comprised of representatives of all participants in the negotiations. It shall be chaired by the Chairperson of the Plenary and will report regularly to the Plenary.

Responsibilities

The Committee will be charged with assisting the implementation of all aspects of decommissioning as set out in the Report of the International Body. In particular it will be required:

to consider any legislative proposals by either government, and any proposed regulations;

to consider the type of scheme or schemes for decommissioning and the role of the Independent Commission in respect of same;

to consider proposals for such schemes drawn up by the Independent Commission, and to submit any agreed opinion on these proposals for consideration by the Commission.

2. Independent Commission

An Independent Commission shall operate in both jurisdictions with appropriate immunity as determined by the special legislation and regulations on decommissioning enacted by the British and Irish Parliaments. It shall be furnished with independent legal and technical advisors and, where appropriate, shall be given access to the technical expertise of the British and Irish Security forces.

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Responsibilities

to consult with the Committee on Decommissioning, both Governments, and others whom it deems relevant on the type of scheme or schemes for decommissioning including the role of the Independent Commission in respect of each scheme;

to present to both Governments proposals for schemes having due regard to the views expressed by the Committee on Decommissioning;

to facilitate, observe, monitor and verify decommissioning and to receive and audit armaments, according to the schemes laid down;

to report periodically to the Committee on Decommissioning and to both Governments.

3. Sub-Committee of Plenary on Confidence-Building Measures

A sub-Committee of the Plenary on Confidence-building Measures shall be established comprised of representatives of all participants in the negotiations. It shall be chaired by the Chairperson of the Plenary and will report regularly to the plenary.

Responsibilities

The Committee will be charged with monitoring developments in relation to any of the confidence-building measures mentioned in the report of the International Body which participants may raise, and any others which may be referred to it, by agreement, by the plenary. In particular it will be expected

to review developments in relation to such measures

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to consider any reports on such measures as may be submitted by those with responsibility for the issue in question

to draw to the attention of the Chairman of the relevant strand any institutional or systemic implications which may arise from its consideration of particular confidence-building measures.

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ANNEX B

HANDLING DECOMMISSIONING: POINTS TO DEPLOY WITH THE UUP

1. Very much share your concern to avoid a dangerous political vacuum over the next few months.

2. Your suggestions (for an informal Economic Council) represent one possible way of demonstrating ongoing and valuable contact and cooperation between the constitutional political parties. But
 - it must be doubtful whether the SDLP or Alliance Party would be willing to go along with the proposals, which would therefore lose most of their point

 - in any event, there are a number of practical and policy difficulties for HMG

 - irrespective of what might be done on this front, the talks process is at serious risk unless we can achieve decisive forward movement in the near future.

3. The SDLP are very close to giving up on the talks. Unless we can secure something significant - a firm date for the start of the 3 strands - they seem likely to lose interest and join the Irish Government (? and Sinn Fein) in seeking a "new and different" talks process. That would obviously put at risk all the gains of the past 18 months, including the Forum, and put back the possibility of achieving a widely acceptable alternative to continued direct rule and the Anglo-Irish Agreement.

4. The Loyalist ceasefire is at best under considerable strain. Successful action against the IRA and good luck have prevented a serious deterioration in the situation so far, but we cannot rely on the element of luck for too

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long. A demonstration that the talks process can notch up a significant success, and a firm date for the start of the negotiations, might help to restrain the Loyalists.

5. Decisive forward movement in the talks can only be secured by resolving the issue of decommissioning, which would effectively enable us to set a date for the launch of the 3 strands. Hope you will support efforts to achieve such a break through over the next couple of weeks. That would

- boost the general credibility of democratic politics
- provide a sound basis for "parking" the talks over the election period
- stabilise the Loyalist ceasefire
- put the maximum political pressure on the IRA/Sinn Fein by demonstrating that the talks process remains viable.

6. From your point of view, a resolution of the decommissioning issue before any adjournment for the election would appear to have a number of attractions:

- it will be no easier to resolve after the election
- after the election we may face the possibility of Sinn Fein participation, whereas there is no question of their involvement in the pre election period
- if the precise role likely timing of the Independent Commission is settled before any adjournment the 2 governments can use the period of adjournment to finalise practical arrangements so

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that the Commission can be established quickly when the time comes

- you would be able to differentiate yourselves from the DUP and UKUP. You have gained credit for "saving" the talks on previous occasions and you could benefit further if you were able to demonstrate your constructive support for a reasonable outcome to the decommissioning debate, opening the door to substantive political negotiations.

7. Additionally,

- the Irish Government seem ready to support the SDLP position on the mechanisms for decommissioning (including early establishment of the Independent Commission). That represents a significant move from the previous commitment to the "1 October" proposals (in which all the weight was put on the Committee) and we should try to capture that
- the good progress of the Irish Decommissioning Bill is a further demonstration of their good faith.
- the Prime Minister's statement of 28 November on terms of entry for Sinn Fein, and his demonstrated refusal to develop his position in response to Irish pressure, means that flank is secure. Recent IRA attacks have helped to persuade doubters that the Government's caution was imminately sensible. Clear signs of disenchantment with the IRA/Sinn Fein in Dublin and among the SDLP. Evidence of your commitment and willingness to reach a sensible accommodation would help to confirm the detachment of Sinn Fein from the nationalist consensus.

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The Way Ahead

8. We have, as you know, been exploring the prospects for putting together a compromise package which could be acceptable to you and the SDLP as well as both Governments, and command sufficient consensus. I believe this is possible;

- there are signs that in the context of an overall package the SDLP might accept that Confidence Building Measures should not be within the remit of the liaison sub committee
- we have a number of ideas for pumping up the notion that decommissioning would happen alongside the negotiations, and giving greater assurance that this will happen. Happy to discuss further .

9. We may also be able to utilise the Chairman's independence and moral authority in presenting such package.

10. We might also need to think through the procedural issues. You might want to vote for some DUP/UKUP amendments, or even table your own variants. These would be unlikely to secure sufficient consensus but that would not matter if, at the end of the day, you could support whatever package is tabled. Trust we can identify such a package over the next few days.

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