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in h/Amel



PRIME MINISTER

NORTHERN IRELAND POLITICAL TALKS

This minute is an update on the progress of the Talks. In particular it reports that, at least for the time being, we do not need to activate the proposals for averting a breakdown set out in paragraph 7 of my minute of 29 May.

2. It looked very likely last week that we were heading for a breakdown. This was reflected in the press. One part of the problem was Unionist nervousness about remaining engaged in Talks while there remained on the table the SDLP's proposals, which were leaked soon after they were tabled, for a Commission including Commissioners selected by the EC and Dublin. At the same time, the SDLP were declining to engage in genuine negotiations towards provisional agreement on a framework for devolved institutions in Northern Ireland. The Unionists had made clear that they regarded such a framework as an essential pre-condition for the launch of Strand 2, which would bring in the Irish Government.

3. Better progress than had seemed likely has been made this week, in particular through the Sub-Committee chaired by Jeremy Hanley. We owe a great deal to the way in which Jeremy has chaired this Sub-Committee, some of whose sessions have been fraught and protracted.

4. In spite of the maddening mercuriality on the SDLP side, there is now some prospect that the parties will be able to reach contingent agreement on an outline structure for Northern Ireland institutions, sufficient to lead to their each agreeing to enter Strand II. In the case of the SDLP it would be contingent on their

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being offered enough by the Unionists in Strand 2 to meet the "nationalists identity deficit" that the SDLP presently perceive in the Unionist proposals, as so far developed. The outline structure on which we hope the participants will agree to go forward would involve Northern Ireland Departments being run by Heads of Departments appointed from within a Northern Ireland Assembly. The Heads might be Chairmen of functional committees of the Assembly, as the Unionists originally proposed. In addition to the Assembly there would be a directly elected Commission (or Panel) with significant consultative, monitoring and referral functions, broadly on lines proposed by the SDLP.

5. This compromise scheme does not include, the three "external Commissioners" which featured in the original SDLP plan, which were the sticking point for the Unionists. The Unionists (because of the leak) cannot enter Strand 2 without the commissioners being withdrawn. But Hume has invested too much in them to ditch them. For the present the parties have been content to leave on one side the question whether the external Commissioners remain on the table or not, but the progress made by the sub-committee offers some hope of finessing it.

6. The UUP are now pointing out that the Talks so far have spent relatively little time on the question of relationships between new political institutions in Northern Ireland and Westminster. This is the second part of Strand 1. As you know, Mr Molyneaux is seeking a Select Committee for Northern Ireland, and improvements to legislative procedures at Westminster for non-transferred matters. This set of topics will now feature in the further work of the Sub-Committee, to which the plenary today agreed. We will continue to consult others with an interest in Whitehall as discussion unfolds.

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7. I had a series of bi-laterals with the party leaders this morning. They authorised a programme of further work by a reinforced version of Jeremy Hanley's Sub-Committee. The Sub-Committee will continue to work up a compromise structure and will also look at links with Westminster. It will meet on Friday and next Monday and Tuesday, and will report to a further plenary meeting on Wednesday 10 June.

8. If progress can be continued in the workman-like way demonstrated this week, it may be realistic for me to initiate consultations on or shortly after next Wednesday about the transition to Strand 2, and to envisage that Strand 2 might begin some time in the week beginning 15 June. The Strand 1 participants and the Irish Government are aware that this is a possible timetable. But our ability to sustain the process and effect the transition to Strand 2 cannot be guaranteed. There remain significant differences of view between the SDLP and the Unionists about the extent to which the outline needs to be filled out before there could be a basis for moving on. And the key question remains whether the external Commissioners proposal can be kept out of play in a way that will meet the conflicting needs of the Unionists and the SDLP.

9. I spoke to the Irish Foreign Minister, David Andrews, today while he was lunching with Sir Ninian Stephen and told him the score. We had a friendly talk. I have left him in no doubt about the scope for further trouble, and that the transition to Strand 2 which I want to achieve can by no means be regarded as assured. He acquiesced in my assessment that Strand 2 could not realistically begin before the week beginning 15 June, though still hankers for my trying to launch Strand 2 even if it is clear that the Unionists will not go. I said that such a step would be an exercise in futility and was not on.

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10. The Anglo-Irish Diner meets on Friday, and will provide an opportunity for British and Irish officials to look ahead to Strands 2 and 3 as well as to take stock of progress in Strand 1. I understand that you plan to meet the Taoiseach for 30 minutes in Rio on 11 June. We will provide briefing on the Talks through the FCO for that meeting. For the present, I do not need to ask you to intervene with the Taoiseach in advance of that meeting, nor to see the party leaders before your departure on Friday. I will continue to keep you in close touch.

11. I am copying this minute to other members of NI Committee, and to Sir Robin Butler.

cc PS|SOS-S (G) - m
PS|MR HATHLEY (L+B) - m
PS|PUS (L+B) - m
PS|MR FELL - m
MR THOMAS
MR LEDLIE - m
MR ALSTON - m
MR BELL ~~W~~ W
MR WATKINS ~~W~~ W
MR MACCABE - m
MR DODDS - m
MR DOR HILL M - PARTY BLINDS
MR DIT HILL
MR PETCH - m
MR COOKE
MR AREAR - RID
HMA DUBLIN
MR STEPHENS
MS LODGE

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