

FROM: ROSALIE FLANAGAN
CENTRAL SECRETARIAT
22 OCTOBER 1998

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STEPHEN LEACH

CONFIDENTIAL

DRUMCREE

1. Attached are:
 - a. note of our meeting with Orange Order representatives last Saturday
 - b. draft submission to Paul Murphy covering draft letter to Jonathan Powell.
2. I have spoken to Stephen Quinn about how we should best handle the provision of resources for the economic initiative, and his views are reflected in the draft submission to Mr Murphy. The letter to Powell provides for two options, depending on Mr Murphy's view. Perhaps Mr Quinn would pass any comments on the drafts to you.
3. I have made contact with Tom Clarke about possible arrangements for proximity talks, and we will take it forward once we know the outcome of the Portadown District meeting last night.

ROSALIE FLANAGAN
☎ 28420

Distribution List:

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(804)

NOTE OF MEETING WITH ORANGE ORDER REPRESENTATIVES

SATURDAY 17 OCTOBER 1998 AT 11.30 AM IN CARLETON STREET
ORANGE HALL, PORTADOWN

Those present:

Mr Watkins	Mr Watson
Mr Leach	Mr Burrows
Mr McCusker	Mr Gracey
Mrs Flanagan	Mr Thompson
Rev Roy Magee	[Mr]
Mr Peter Quinn	

1. Mr Watkins summarised what had been agreed at the last meeting between officials and Orange Order representatives on 18 September 1998. It had been agreed that the previously agreed joint statement should be held by both sides as an indicator of good faith; that the possibility of holding a conference sponsored by Craigavon Borough Council to explore cultural issues would be followed up; and that Orange Order representatives would consider further the possibility of holding indirect talks with the residents in an effort to resolve the marching issue. Mr Watson said that the Council had been in touch with him about the possibility of a Conference the previous day.
2. The Orange Order representatives spelt out their concerns about the current position, and in particular the determination of their members that the 1998 parade would be allowed to complete its route down the Garvaghy Road before anything else was discussed. Mr Gracey recognised that the 1998 parade might not get down the Garvaghy Road this year. He said that, if the 1998 parade was not completed until next year, there would have to be two parades in 1999. They expressed their concern that it was becoming increasingly difficult to hold back those who were intent on violence in the town. The First Minister had asked them to make their best efforts to get the protests in the town stopped on the basis that he would try to do something to improve their position. Their difficulty was that nothing had happened and members were becoming impatient. The representatives reiterated their opposition to the Parades Commission, and their view that the Parades Commission and Residents Groups were more responsible for the adverse community relations situation than were the Orange Order or the Unionist community. They also expressed their concern that the proposed Economic Initiative for Portadown would benefit only one section of the community to the detriment of the Protestant people, and their determination that this would not

happen since many of the Protestant areas of the town were as deprived as the Garvaghy Road area. Mr Gracey went so far as to say that 80% of any package should go to the Protestant people on the basis of population figures.

3. In response to these points, officials said that it remains the case that any agreement would have to cover all aspects of the problem in Portadown. The concept of future parades includes the decision on what would happen to the return of the 1998 parade, and it is not possible to decide that the future could not start until after that parade had returned. The Economic Initiative would be for the whole town and would be based on "need" rather than being directed to any particular section of the town. Extensive meetings had been held with the Portadown Traders who were keen to see an early resolution of the situation because of the extremely adverse effect that trouble in the town had been having on business. Mr McCusker had met the Craigavon Borough Council Development Committee for an extensive discussion about the Economic Initiative, and he would be having a similar meeting with the Garvaghy Road Residents Group fairly soon. He offered to hold further discussions with any other group if that would be helpful. Mr Leach said that it was the view of officials that the residents were prepared to reach a settlement over the parades issue in good faith. If the Orange Order was to meet the residents to discuss parades, even if that discussion was unsuccessful, the Order would have met one of the concerns of the Parades Commission and ^{the Commission would evidently take the note because} ~~this would tilt the debate over marches in their favour.~~

4. The discussion then went on to consider how the process might be moved forward. Officials proposed that a new intense process of proximity talks should be held with a clear aim of reaching ^{a lasting} agreement on marches ^{This agreement will be finalised at a concluding session} ~~at a final session of indirect talks under an independent chairman.~~ If the Order was agreeable, officials would put this proposition to the Residents Group, and the aim would be to hold the talks in early November. The Order representatives agreed to consider this proposal at their next district meeting. In relation to the Initiative, it was agreed that this should be taken forward on a separate basis by inviting the Council to ask Councillors to nominate people to attend a separate meeting to discuss the Economic Initiative, and that individual representatives from the Orange Order could also attend that meeting. Detailed discussion about the Economic

which would involve both sides sitting in the same room but speaking through

Initiative would not form part of the proposed proximity talks. It was agreed that each side attending the proximity talks would need to have a mandate to reach agreement.

ROSALIE FLANAGAN
22 OCTOBER 1998

DRUMCREE : POSSIBILITY OF FURTHER PROXIMITY TALKS

Issue: Possibility of proximity talks in early November between Orange Order representatives and Garvaghy Road residents. Funding for proposed Portadown Economic Initiative.

Timing: Immediate.

Recommendation: That you should write to Jonathan Powell to bring him up to date with the current situation and to seek his agreement to be involved in further proximity talks, probably at the final stage, and to either ask him to confirm the provision of the necessary resources to take forward the Economic Initiative in Portadown or tell him that this will be covered from within the NI Block.

Detail

1. Proximity talks were held between the Orange Order and the Garvaghy Road residents in Armagh in July under the chairmanship of Jonathan Powell. Subsequently, officials from the Northern Ireland Office and Central Secretariat held bilateral discussions with each side during August and September in an attempt to take forward some progress on the issue. At bilateral meetings on 18 September, the Orange Order representatives agreed to consider with the district officials a number of proposals. They were unable, however, to reach agreement with the more hard line elements in the Order and avoided further contact with officials until a meeting held on Saturday 17 October in Portadown.
2. At that meeting Order representatives began by taking a hard line about the need for the 1998 parade to return along the Garvaghy Road before anything else could be discussed. After considerable discussion, however, officials reached agreement with the Order representatives that they would consider the possibility of holding a new intense series of proximity talks with the residents which would culminate in a final meeting of both sides in the same room speaking through an independent chairman. Officials said that they would put this proposal to the residents side also.

3. The talks would concentrate on a resolution to the marching issue, and, although the Economic Initiative would form part of the final resolution, it would not be discussed in detail at these talks. It would, however, be necessary to have agreed where the money for the initiative would come from and how it would be handled vis a vis the NI Block. In relation to the Economic Initiative, officials have met with the Economic Development Committee of Craigavon Borough Council to discuss the proposals, and a further meeting with the Garvaghy Road Residents for the same purpose is planned before the end of the month. It was also agreed that officials would be prepared to meet with any other group or groups to discuss the initiative, and that this would probably be taken forward through the Council, rather than through the Orange Order.

4. When the Economic Initiative was first mooted, the view was that an investment of the size envisaged (£15m over a 3/5 year period) could not easily be provided from within the NI Block, and Mr Powell had confirmed that the Prime Minister would be prepared to seek an addition to the Block from the Chancellor for this purpose. However, the current view of DFP colleagues is that this may not be the best approach. Relationships with the Treasury are somewhat strained at present since we are already seeking substantial increases to the Block for Police and Prison redundancies, and in relation to additionality for new EU funding, where we may have to engage the Prime Minister in seeking a satisfactory outcome over the next few days. To seek another tranche of extra money for NI, albeit at the direct behest of No 10, rather than through DFP/NI, might be to the detriment of existing negotiations. The Minister is therefore invited to consider whether a preferred, though obviously not ideal, option would be to cover the initiative from within the Block. If, however, the Minister prefers to seek an addition to the Block, through the Offices of the Prime Minister, it would be necessary to put Treasury officials in the picture, as soon as possible, endeavouring to make it clear that DFP was not the originator of the proposed package, but that it had arisen in response to the very serious situation prevailing in Portadown.

5. We understand that the Prime Minister has indicated his agreement to Jonathan Powell becoming involved in talks again if those talks seemed likely to reach a resolution. The purpose of this submission therefore is to seek the Minister's agreement for you to write to Jonathan Powell to bring him up to date about the situation and to seek his views about his further involvement in talks. The view of officials is that the proximity talks

should be held, say from a Wednesday to a Saturday, in early November, probably on a presidential basis, with provision being made in the timetable for each side to have a half day away from the talks to confer with their members. The proximity talks could be taken forward by officials. Mr Powell's involvement might come at the final stage when he could chair the indirect talks at which final agreement would be made and announced.

6. It is therefore recommended that you should write to Jonathan Powell on the lines of the attached draft, with the appropriate reference to the financial package, depending on the Minister's views.

STEPHEN LEACH

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... hv chairing

DRAFT LETTER FROM PS/MR MURPHY TO JONATHAN POWELL

DRUMCREE : POSSIBLE PROXIMITY TALKS

1. The purposes of this letter are to update you on the latest situation in relation to the difficulties over the Drumcree parade, to seek your views on possible proximity talks and your involvement in these talks, and to confirm how the provision of resources for the proposed Economic Initiative for Portadown will be handled.
2. At bi-lateral meetings on 18 September, officials met both the Garvaghy Road residents and the Orange Order representatives. At the meeting with the Orange Order it was agreed that the previously agreed joint statement should be held by both sides as an indicator of good faith. The possibility of holding a Conference sponsored by Craigavon Borough Council to explore cultural issues was also discussed. Finally the Order representatives agreed to consider with their District officials the possibility of holding indirect talks with the residents in an effort to resolve the marching issue. In the event the Order representatives were unable to reach agreement with the more hard-line elements in the Order and avoided further contact with officials until a meeting held on Saturday 18 October in Portadown. At that meeting Order representatives began by taking a hard-line about the need for the 1998 parade to return along the Garvaghy Road before anything else could be discussed. After considerable discussion, however, officials reached agreement with the Order representatives that they would consider the possibility of holding a new intense series of proximity talks with the residents, which would culminate in a final meeting of both sides in the same room speaking through an independent Chairman. Officials said that they would put this proposal to the residents side also, and Brenda McKenna has indicated that he would be content with this proposal. The intention would be that the talks would concentrate on getting a resolution to the marching issue and, although the Economic Initiative would form part of the final resolution, it would not be discussed in detail at these talks.
3. In relation to the Economic Initiative, officials have met with the Economic Development Committee of Craigavon Borough Council to discuss the proposals, and a further meeting with the residents for the same purpose is planned before the end of the month. Although officials did not suggest it to either side, it is likely to be helpful if you

would agree to be involved in these intense talks, perhaps at the final stage by chairing the final meeting of both sides. This is clearly a high risk approach, since if these further talks were to fail it would be difficult for officials to continue to be involved with the two sides.

4. If the proximity talks do get off the ground it will be necessary to have firmed up on the resources for the Economic Initiative. Officials have not mentioned a figure to either side, although a range of figures is being bandied about in the Portadown community, ranging from £10m to £20m. Officials have continued, at every opportunity, to emphasise that this money will only be available in the event of a long-term agreement on parades.
5. I should therefore be grateful to have your views about the possibility of your chairing the proposed final session of indirect talks following the intense proximity talks, on the assumption that agreement has been reached.
6. [An important component of any final agreement will be the proposed economic package for Portadown, and you have confirmed that the Prime Minister is prepared to approach the Chancellor to secure funds for this purpose, £15m over 3/5 years. Officials in DFP consider that it will be necessary to put the Treasury in the picture about this possible addition to the Block as early as possible. I should be grateful for your confirmation that you are content for these contacts to take place immediately, with a view to tying up the loose ends in relation to the package, well in advance of any proximity talks.]

[Officials in DFP consider that, taking into account the overall context of their relationships and negotiations with the Treasury at present, it would be preferable to meet the cost of the Economic Initiative from within the existing Northern Ireland Block, rather than approaching the Chancellor for an addition to the Block. I should be grateful for your confirmation that you are content with this line.]

PS/MR MURPHY