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RECEIVED 11 FEB 1998

FROM: JACKIE JOHNSTON
CONSTITUTIONAL & POLITICAL DIVISION
3 FEBRUARY 1998

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- 11 FEB 1998
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AMENDED VERSION

- cc PS/Mr Murphy (DFP, B&L)
- PS/Mr Ingram (DED, B&L)
- PS/Lord Dubs (DANI, DOE&L)
- PS/Worthington (DENI, DHSS&L)
- PS/PUS (B&L)
- PS/Mr Semple
- Mr Thomas
- Mr Steele
- Mr Leach
- Mr Bell
- Mr Watkins
- Mr Stephens
- Mr Woods (B&L)
- Mr Beeton
- Mr Brooker
- Mr Hill
- Mr Ferguson
- Mr Maccabe
- Mr Priestly
- Mr Sanderson, Cab Off (via CPL)
- Mr Fergusson, RID FCO
- HMA Dublin
- Mr N Warner
- Mr Holmes, No 10

1. cc *Mr Bell*
Mr Steele
Mr Leach
Mr Bell
Mr Watkins
Mr Stephens
Mr Woods (B&L)
Mr Beeton
Mr Brooker
Mr Hill
Mr Ferguson
Mr Maccabe
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Mr Sanderson, Cab Off (via CPL)
Mr Fergusson, RID FCO
HMA Dublin
Mr N Warner
Mr Holmes, No 10

NOTE FOR THE RECORD

PS/Secretary of State (L&B)

TALKS SUMMARY: 3 FEBRUARY 1998

A long day, one of the most hopeful on the Talks so far. Completion of the discussion of the Government's paper on Strand One Institutions, followed by a discussion of Sinn Fein's paper on Regional Councils in an all-Ireland context submitted to the Strand Two meeting on 27 January perhaps the first such "engagement" on the Sinn Fein analysis, to which the UUP contributed fully. Discussion throughout the day was positive and meaningful with all parties fully engaged on the core issues - except for Sinn Fein, on issues of institutional detail.

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Two bilaterals with Sinn Fein, one on non-Talks matters.

Strand One Meeting

Most of the morning was devoted to discussing questions put by Sinn Fein (Mr Adams and Mr McGuinness) to the Alliance, SDLP and UUP. These focused on how Republicans could be reassured that any new Assembly in Northern Ireland would not discriminate against Nationalists in the same way as the Stormont Parliament. Secondly, would the Strand Two institutions be subordinate to those established in Northern Ireland?

Mr Trimble responded, outlining calmly and reasonably the UUP proposal by which the Assembly would be subject to the principle of proportionality in the allocation of committee chairmanships, which in their scheme would be executive posts, thus ensuring that all sections of the community were represented. He urged a distinction between the terms "discrimination" and "disadvantage" in the context of Stormont, but suggested that any future abuse of power could be challenged in the courts by giving citizens the right to take legal action. Infringement of the ECHR, whether in legislation or executive action, as was the case in the Scottish and Welsh devolution legislation. Mr Empey added that one of the benefits of the proportionality model would be that it removed any "grace and favour" dispensing of posts: he conceded that there had been "an enormous number of mistakes" under Stormont. He did not respond to the question on the relationship between Strand One and Strand Two institutions but Mr Empey responded later that the UUP would set out its position in the Strand Two discussions.

Seamus Mallon for the SDLP had repeated heated exchanges with both Mr Adams and Mr McGuinness on Sinn Fein's attitude to the Framework Documents - which envisaged powerful NI institutions - and their misrepresentation (or "spin") of the Propositions on Heads of Agreement which had led to confusion about the intentions of the two Governments.

Lord Alderdice for Alliance advanced again the Alliance scheme for an Executive with collective responsibility. He was hesitant about suggested "sufficient consensus"

requirements in decision taking. Sufficient consensus, under the Talks formulae, would mean the largest Nationalist party and one of the smaller Unionist parties holding a veto in decision making. That would not be acceptable and Alliance preferred a weighted majority system of voting. On the question of the relationship between Strand One and Strand Two institutions, he said it was inevitable that the Council of Ministers would be subordinate (Alliance preferred "accountable") to the Assembly and to the Dail because powers would be devolved down to the Council.

There was a direct exchange between Mr Adams and Mr Empey when Mr Empey responded in sequence to a question from Mr Adams when he enquired whether Mr Empey could see the difficulties for Republicans in a cross-border body which was not free standing and a bridge to the type of Ireland which Sinn Fein envisaged.

Mr Empey replied (opening with "Mr Chairman") that this was not the place (Strand One) for debating that issue. Unionists viewed the solution in an East-West context and didn't see the island of Ireland as the unit for any settlement.

Other significant points during the discussion included a clear division between the UUP and Alliance/SDLP Sinn Fein on executive roles. The UUP proposed that the committee chairmen and head of departments should fill both roles. Alliance and SDLP favoured an executive form of government, distinct from the committee chairmen, as a necessary requirement to exercise collective responsibility and to make the Strand Two body work effectively. The SDLP were concerned that a nationalist committee chairman/head of department might be restricted by an uncooperative committee, which would have a unionist majority.

Mr Trimble also expressed a lack of enthusiasm for a "duty of service" requirement for committee chairmen which he suggested would be unworkable in practice because of the need to have some form of penalty in the event of the duty not being discharged.

The Strand One Institutions debate ended with a lengthy discussion of financial arrangements with Alliance pushing the parties to recognise their responsibility to reduce

dependency on the NI Block and the other parties arguing for continued high levels of subvention because of Northern Ireland's social and economic problems.

The PUP acknowledged that subvention could not carry on for ever and suggested investing the Assembly with tax raising powers in an attempt to reduce dependence on subvention.

Sinn Fein commented that what they felt was needed was a single united economic unit operating in the EU. This conclusion was not drawn solely on the basis of political considerations: economic logic made it necessary to consider how you were going to earn a living.

Discussion of Sinn Fein All-Ireland Regional Councils Paper

At the proposal of the Alliance party and SDLP the parties discussed the paper submitted by Sinn Fein last week (though circulated only today) which proposed 'regional councils' in an all-Ireland context. Gerry Adams introduced the paper emphasising that it was a discussion document; he finished by asking what 'vision' the parties and the Governments had for Ireland in the future?

The paper was comprehensively slated, but in a calm and reasoned manner. The paper ignored the realities of Northern Ireland, as a divided society and made no mention of safeguards for minorities (SDLP); it ignored the existence of a unionist community (UUP/PUP); a 'missed opportunity', according to Mr Ervine leaving aside its failure to acknowledge the specific needs of Northern Ireland, its democratic credentials were unimpressive there is no empowerment of local communities; all the power rested with the non-elected Regional Councils (Alliance); Mr Empey spoke for almost a quarter of an hour, in response to the paper, and on his vision for the future, and holding out the prospect that if the Republican Movement could accept the principle of consent, "things could happen".

Mr Adams, who seemed rather sheepish about his paper, emphasised once more that

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the document was for discussion, as an expression of what would be best for Ireland on the longer term. It was not a negotiating position; it was not what he expected to get in May.

Secretary of State's bilateral with Sinn-Fein

The Secretary of State had a good-humoured meeting bilateral with Sinn Fein to discuss non-Talks matters. The discussions covered the recent threats against Protestants, continuing problems over [REDACTED] personal protection, SACHR's annual report, Roisin McCaliskey and the Balcombe Street Four.

This meeting has been minuted separately in more detail.

Signed: Jackie Johnston

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JC/TALKS