

From: Secretary of State
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1. Joe Pilling
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ISSUES THAT NEED DRIVING FORWARD

I have talked a lot about the People's Project and on communicating with the public in Northern Ireland during the next 3 months and then into the Referendum. But there are also a number of other areas where strategic thinking and planning is necessary and work needs to be driven forward. I will cover these briefly here and we can discuss them in more detail when we meet later today.

1. Security Issues

In the run-up to May we face a number of scenarios regarding the level of terrorist violence.

- a. The first is a continuation of splinter group violence at more or less the same level as now. Changes in the level and focus of police and military activity will, I presume, continue in response.
- b. The second scenario is one in which the splinter group violence continues but where the line between splinter and more mainstream groups (who have representatives at the Talks) is occasionally difficult to define. Our response - if the violation is a clear one as recently with the UFF - would be to act in accordance with the rules and principles of the Talks. However, the more difficult it is to establish precisely who is responsible for any given action the harder it is to decide an appropriate response. It would be helpful to have some guidance on how to deal with this situation if it arises.

- c. The third scenario is a complete breakdown of the ceasefire on one side or the other. We will need to look at what options are open to us including a possible move to speed up the Talks Process with whoever is left in and move quickly towards a Referendum. We would need advice on what would be an appropriate military response at the same time.

2. Planning future de-escalation

We should begin preparations for an outline plan - not necessarily time-related - for further de-escalation steps. Perhaps the RUC and the GOC could be asked for an outline assessment of the progressive steps they envisage taking in response to a much reduced level of violence?

Much further down the road, consideration will also need to be given to the alternatives for the military's role in Northern Ireland 3/5/10 years hence. Numbers in terms of permanent Army and civilian staff and the options for individual regiments in a new, peaceful context will need to be considered. For example, each option will clearly have different financial implications and, therefore, knock-on effects to allocations in other areas. Future budgetary planning will want to be able to take these options into account.

3. Strategy in the Talks

Following developments last week, both we and the Irish are stressing the importance of the parties themselves coming forward with ideas and suggestions towards a possible new settlement. Where there is disagreement, I presume we will park the issue and move on to the next. The goal being to pull together a draft agreement with lots of square brackets and options where there are disagreements - this will be either the work of the Chairman or the two Governments or probably both. A final revision will be put to the parties for agreement and then to the people in a Referendum. I presume we will keep going along this route undeflected by outside acts of violence.

The two Governments have already put forward the Downing Street Declaration, the Framework Document, Propositions on Heads of Agreement and now 3 papers of questions for the parties to address. It is likely that opinions in Northern Ireland will broadly converge around these ideas.

Two priorities immediately emerge from this:

⇒ firstly, we need a group of officials working on the organisation for the Referendum now; and

⇒ secondly, we need to begin plans for how we handle the post-Referendum situation.

4. The positions of the UUP and Sinn Fein

A key difficulty exists in the need for each of these parties to put a diametrically-opposed spin on the outcome of the Talks. A high-profile Sinn Fein campaign is already beginning (see peace rally on Friday). They are saying that Ireland is on the road to unity and any deal (preferably starting from Frameworks) is a step along that road. Contrast this with the UUP's determination to represent any deal as a final settlement which will go no further along the road to Dublin. We will need to think carefully and plan our own position to ensure that we are not drawn uncomfortably towards one or other of these interpretations.

5. Confidence Building

Over the next few weeks we are going to have to address policing, prisons, rights, employment equality, economic development, parades and other issues both as matters of Government policy based on our principles and Manifesto commitments and as issues for discussion within the confidence-building committee in the Talks. This will always be a difficult balance. I think we need a strategic approach which identifies what are matters of good government and what are for negotiation in the Talks. I am

convinced there is some benefit in drawing these issues together as a package to prevent them being picked off individually and highlighted as 'yet another concession' to one side or another.

6. Conclusion

Some of this might seem rather peremptory. However, I think it is essential that we are either beginning to think or drawing together our existing thinking in each of these areas now.

M In particular, given the very limited progress made under the Comprehensive Spending Review to date, I think serious attention needs to be given to public administration issues in preparation for transition from direct rule.

These are some of the issues which I would like to discuss with you this afternoon.

MARJORIE MOWLAM