

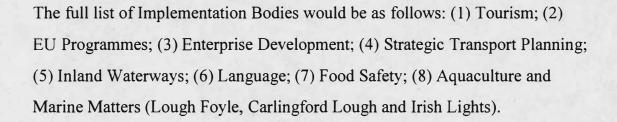
An Chartlann Náisiúnta National Archives

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- While over the past few days very good progress has been made between us, the SDLP and the UUP in reaching agreement on the bulk of the Bodies (on the basis of our paper of 23 November), there has continued to be a wide gulf between the parties on a Trade Promotion, Business Development and Inward Investment Body. Mallon and Trimble made their disagreement clear in front of PM Blair yesterday.
- 2. However, yesterday evening officials worked on a possible compromise, which would be more strategic and developmental in its focus (the Body would now be described as an Enterprise Development Body). At last night's dinner, Mallon described it as "not in the ball park". However, with some revision, and following detailed sessions last night and early this morning, he would be prepared to sign up to the text on condition that Blair sold it to Trimble. He is not, however, particularly enthusiastic about it. NIO officials have accepted the revised draft; it has now been sent to Blair's office as the basis for a telephone conversation with Trimble. <u>The draft would be described to Trimble as a Downing Street text.</u>
- 3. The UUP have told us that they are largely happy with most of the other bodies as set out in our paper of 23 November, subject to some drafting changes. However, they may have a problem with the capacity of the EU Programmes Body directly to fund and manage programmes. We understand that NIO officials will be proposing a redraft. While there may be some room for manoeuvre on the technicalities, any substantial alteration to this aspect of our proposal would represent a major weakening of it. Given the lengths we have travelled to meet the UUP and reach agreement on other matters, it would not be reasonable to expect further large-scale concessions. We would simply have an enormous problem with Mallon and Sinn Féin if we have to go back to them. We have, with enormous difficulty, brought them very far.



Next Steps

4.

- Agreement might be announced early next week after a round-table meeting between the Irish Government and the Northern parties. Agreement on Northern Ireland departmental structures would be announced simultaneously. It would be advisable for Trimble and Mallon to prepare the ground with the smaller parties.
- 6. It would then be necessary for the two Governments, in continuing consultation with the parties, immediately to begin drafting detailed agreements in the various areas, and to prepare the necessary domestic legislation. This task could easily take a couple of months. Under the terms of the British-Irish Agreement, the formal endorsement of the Shadow North-South Council would be required to trigger the actual signature of the agreements and the enactment of the legislation (this could be done very quickly).
- 7. There will also need to be further work on the operational aspects of the North/South Ministerial Council and British-Irish Council.
- 8. The Bodies would then come into being alongside the other new institutions (depending on the resolution of the core political impasse). In practice, there will be a further transitional period as the Bodies get up and running.

Anglo-Irish Division 26 November 1998