



10 DOWNING STREET

PRIVATE AND CONFIDENTIAL.

Prime Minister

ULSTER.

1. I mentioned to you last evening, that Jim Molyneaux came to see me on 15th July.
2. Herewith copy letter dated 11th July, which he sent to Humphrey.
3. Jim said that, in his view, the Government ought to proceed as follows:-
 - (a) Transfer from Northern Ireland Ministers to the existing District Councils most of the powers now exercised by District Councils in England.
 - (b) Set up a County or "Regional" Council, as set out in our Manifesto.
 - (c) Subject to this, continue with Direct Rule.
4. He said that there was no prospect whatever of reaching any agreement with the Northern Ireland parties either on Option 1 or on Option 2, or any variation of those two Options.
5. You will see that Jim Molyneaux is seeing Humphrey at the Northern Ireland office tomorrow. Jim has promised to let me have the agreed Note of that meeting, to which he refers in the paragraph number 2 of the attached letter
6. Despite what you said last evening, I do find it surprising that a copy of the attached letter was not sent to other Ministers in the Northern Ireland Office.
7. Enoch has asked to see me. He is lunching with me, a deux, at our house in London today week. I have not mentioned this to anyone save to you.

16th July, 1980

Ian Gow.

Secretary of State and JHM. 16 July, 1980.

1. Boundary Commission. S of S said it would be impossible for him to give an assurance in regard to progress, because he had no jurisdiction over the Commission, but did assure JHM that neither he nor any person in the NIO had put brakes on progress. Mentioned that Judge Murray had written him (following publication of interim report) requesting legal interpretation on some point in legislation relating to number of seats. S of S had refused to give ruling on grounds that he was not responsible.

2. JHM said that attitudes in the province to Consultative Paper were so hostile that he had to say clearly that progress on that basis could not be made.

3. S of S sought clarification of Unionist Party's attitude to powers of a devolved structure. Repeated Michael Alison's suggestion that security powers might be embodied in legislation as in 1920 and 1973 with provision for phasing in. With regard to taxation and rating thought powers could be somewhat similar to those possessed by former Northern Ireland Parliament.

4. Legislative Powers. S of S asked whether Unionist Party regarded these as essential. JHM replied that if such powers were thought to be on offer, naturally Parties could not refuse them. But he warned that legislative power was a divisive factor and would arouse old fears and suspicions. S of S said he had been told by "minority" representatives that past abuses arose from exercise of executive and administrative powers and that this made it difficult to give full local government powers to district councils or a regional council.

JHM said the logic of that was that nothing could be done at any level. Disputed the allegation that discrimination could now take place in local government because S of S would be there

to oversee local government, whereas an assembly with legislative and executive powers could not be refused powers over "local government" subjects and S of S would have great difficulty in over-ruling it.

5. JHM repeated that talk of "common ground up to a point" was misleading. He could see no possibility of resolving the central question of "rigged government", and for that reason had agreed with Airey Neave that any initiative to create high level devolution was doomed to failure.

If, as S of S maintained, some built-in form of safeguarding for "minority" rights ("rigging") was considered essential at any level then he had to say that no progress could be made in foreseeable future.