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10 DOWNING STREET

From the Private Secretary

20 February 1986

NORTHERN IRELAND

The Prime Minister held a meeting this evening to discuss the line that she should take at her meeting with the leaders of the two main Unionist parties on 25 February. The Lord President, the Home Secretary, the Northern Ireland Secretary, the Chief Whip, Sir Robert Armstrong and Sir Robert Andrew took part.

The Northern Ireland Secretary set out the background against which the meeting would take place. The great bulk of Unionist opinion remained opposed to the Agreement, though there were some signs of reluctant acquiescence on the part of the middle classes. The effects of Unionist non-cooperation were already being felt. All the Unionist-controlled local councils had been suspended and none had set a rate. The Chief Executives were being called to account for this on 24 February. The Government had in reserve the power to appoint Commissioners if necessary. The Assembly had forsaken its proper task of scrutinising the work of Northern Ireland Departments and was acting simply as a focus for propaganda against the Agreement. The Unionist members of Parliament were abstaining from participation in the affairs of the House (or had done so until Mr. Enoch Powell had asked a Question today). There was growing concern in the North, increased by recent BBC programmes, about intimidation by the paramilitaries. The Prime Minister's meeting with the Unionist leaders on 25 February would be seen by many in Northern Ireland as marking the end of the road for constitutional opposition to the Agreement.

The Northern Ireland Secretary continued that Mr. Molyneaux and Dr. Paisley would probably argue at the meeting that Ulster had rejected the Agreement through the recent by-elections. The Agreement should therefore be scrapped. If the Prime Minister would not accept this, it was likely that the Unionist representatives would withdraw from Parliament and from the Assembly and possibly also the various Boards in Northern Ireland. A programme of civil disobedience, rent and rate strikes and industrial action would be set in hand. Unionist leaders had already taken steps to secure the support of the Ballylumford power station workers. It was thought that the latter had agreed

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cc ALSO to
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in principle to a 12-hour strike on 3 March provided that at least one other major industrial unit was prepared to join them in taking action. There was evidence that the paramilitaries were preparing to exploit a day of action with road blocks and intimidation.

In practice, Mr Molyneux and Dr. Paisley knew that it was not realistic to expect the Government to scrap the Agreement. Their fallback position would probably be to see whether the Government would be prepared to consider alternatives to the Agreement and meanwhile suspend implementation of it. They might propose a round table conference of all parties in Northern Ireland to discuss devolution. They would argue that such devolution should cover not only transferred matters but also reserved matters. It was hard to be certain whether they were resigned to the failure of the meeting and to a walk-out, or whether they would be looking for ways to continue discussion with the Government without losing the support of the Unionist constituency.

In discussion, it was agreed that the Prime Minister would need to be in a position to make a number of proposals to the Unionist leaders designed to enable them to continue discussions with the Government. At the same time there could be no question of renegeing in any way on the Agreement itself. It must be made clear to Mr. Molyneux and Dr. Paisley that HMG were committed to the Agreement which had been approved by a massive majority in Parliament and could not be disregarded or put aside.

It was recognised that proposals would be needed in two main areas. The first would be for a structure within which the Unionists could be consulted about the proceedings of the Inter-Governmental Conference. This could take a number of forms, from regular meetings between the Northern Ireland Secretary and Unionist leaders to a parallel Conference (though the latter would risk stimulating demands for similar treatment from the Nationalists). Secondly, there would need to be proposals to enable discussions to start on devolution together with ideas on the form such devolution should take. It might be possible for such arrangements to take in some reserved matters. It should be explained to the Unionist leaders that devolution offered the best way of diminishing the scope of the Inter-Governmental Conference; but that it could not realistically be achieved with the cooperation of the SDLP unless the Agreement remained in being.

The Prime Minister might suggest to Mr. Molyneux and Dr. Paisley that there should be an agreed programme of work in these two areas which would be reviewed at further meetings between them and the Prime Minister after a fixed period.

It was acknowledged, however, that these proposals might not be enough for the Unionist leaders. They would want some concession relating to the operation of the Agreement itself. One option would be to offer to review

the working of the Agreement, as provided for in Article II, if arrangements for devolution acceptable to both communities were agreed. But this would risk calling into question the Government's commitment to the Agreement. The Unionists would like to see abolition of the joint secretariat, which was simply not feasible. An alternative might be some understanding about the frequency of meetings of the Inter-Governmental Conference or the location of such meetings, though here too the Government's margin of manoeuvre was very small.

Against this the meeting on 25 February should not get into too much detail. Any practical measures which the Government would be in a position to offer would inevitably look thin to Unionist opinion in Northern Ireland. Every effort should therefore be made to find an outcome which was in essence procedural, with both Government and Unionists undertaking to reflect further.

Summing up the discussion the Prime Minister said that some urgent work was needed to fill out the approach which she should take with the two party leaders on 25 February. This should take the form of:

- (a) a full speaking note based on the points made in discussion. This should contain separate sections on structures for consultation with Unionists, on possible models for devolution and on a Conference to discuss devolution.
- (b) a draft of the sort of press statement which might represent on the minimum which the Unionist leaders could be expected to accept at the meeting;
- (c) a contingency draft of a statement which the Government would put out if the Unionist leaders walked out of the meeting;
- (d) further efforts to obtain intelligence on the Unionist leaders' intentions and on the minimum which they would feel able to accept.

These papers should if possible be made available over the weekend. If necessary there could be a further meeting on Monday to discuss outstanding points.

I am sending copies of this letter to Joan MacNaughton (Lord President's Office), Stephen Boys Smith (Home Office), Len Appleyard (Foreign and Commonwealth Office), Murdo Maclean (Chief Whip's Office) and Michael Stark (Cabinet Office).

(CHARLES POWELL)

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