PRIME MINISTER

NORTHERN IRELAND: MEETING OF OD(I)

You may like to try to despatch the business of additionality in European Community aid to Northern Ireland very quickly by seeking agreement on one of the intermediate figures, and devote the greater part of the meeting to an assessment of the strike and of the next steps in the Province.

On this latter point you will want to ask the Northern Ireland Secretary what he thinks the Unionists and their supporters will do next. You will also want to consider whether there are any fresh moves which the Government should make to encourage the Unionists to take up your offer of talks. You will recall that Mr. Hume suggested that the Government should simply set a date for a round-table conference on devolution in the confident expectation that the Unionists would turn up. This actually seems to me rather provocative and only worth doing if it was clear that a significant number of the Unionist leaders would be tempted. Equally, it seems to me that the Government should continue to make clear its readiness to talk to Unionist representatives at any moment, while remaining absolutely firm in its commitment to implement the agreement.

CDD

(C. D. POWELL)

3 March 1986