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28 July 1993

Mr Sean O hUiginn
Assistant Secretary
Anglo-Irish Division
Department of Foreign Affairs

Dear Assistant Secretary

A Tory/Unionist Deal or Understanding?

Ms Slattery's report of 26 July to Assistant Secretary Fahey summarises the House of Commons debate on 22-23 July on the Social Protocol to the Maastricht Treaty, culminating as it did in the 9 Ulster Unionist M.P.'s supporting the Government. This report attempts to describe some of the drama behind the scenes with greater emphasis on the Northern Ireland dimension; to assess the claims of a Tory/Unionist deal, or understanding; to consider what John Major's future as Prime Minister may be; and to consider what action if any might be taken at this time by our Government to prevent the British from making the kind of concessions that the Unionists clearly want.

The Unionist Switch

I have already reported fully on my conversation with Michael Ancram, the Northern Ireland Minister, on the eve of the big debate. To recapitulate, I told him quite bluntly that we would be keeping a very close eye on developments and would draw the obvious conclusions if there was evidence of a deal with the Unionists, whether done covertly, overtly or by nods or winks. In particular I warned him of the consequences of conceding a Select Committee on Northern Ireland. Such a concession would have to be interpreted by us as an end to the talks process as well as an unambiguous integrationist move loaded with symbolism. I also cautioned against any talk of granting additional powers to local authorities as it was at that level that some of the most blatant discrimination against the nationalist population was practised. Belfast City Council, even today, offered an unpleasant example if one was needed of serious misbehaviour by the Unionists. On the

*The problem
of assumed suspicion
on P.S. with DPA (H. O'Donoghue)
They are tentative about
it for a number of reasons.
- as I am. They will
P.S. 11/8/93*

*PSS
print see
Mr Murray
Mr Dalton
JEM
30/7*

evening of 22 July, as the big debate was in progress, there was a feeling in the air that the Tories had stitched up some kind of deal or understanding with the Unionists. Speculation was rife as to what the price was. An exceptionally good deal might see all 9 Unionists voting for the Government; a less attractive offer might only secure their abstention - an outcome which in itself would be very welcome to the Government, given the fact that in all previous votes on Maastricht the Unionists voted against the Government in accordance with their own manifesto commitments. Mayhew met a delegation of three Unionists on 22 July, ostensibly to discuss security matters, arising from the bombing of Newtownards. John Major met Molyneux and reportedly had a telephone conversation with him subsequently. Closing the debate for the Government before the crucial vote, David Hunt, the Employment Minister, made reference to the Conservative and Unionist Party. This brought howls of derisory laughter from the Opposition benches, the belief being that the Unionists were then firmly in the Tory camp. Although the Opposition amendment to the Government motion seeking the inclusion of the Social Charter was defeated on the casting vote of the Speaker (with the Unionists supporting the Government) the motion itself was then lost by the Government by 8 votes - 324 to 316. It is important to bear in mind that despite Unionist support once again, the Government's motion was defeated, due to the fact that 23 Tory MP's defied the Whip and voted against their own party. The number of rebels who held out to the bitter end was 8 to 10 higher than expected and this fact deprived the Unionists of the privilege of saving the Government. Despite the tight situation they did not hold the balance of power and their votes in the end were not decisive. On the following day the vote of confidence saw all the rebels falling dutifully into line, encouraged by the threat of the withdrawal of the Whip and a general election in the event of defeat. The Government majority on this occasion was 40 - 339 to 299. The Unionists voted again with the Government, thereby ensuring a comfortable majority, but here again their votes were not decisive. As regards the DUP, MacCrea was absent on both days but Paisley and Robinson voted consistently against the Government. In the course of his contribution to the debate on 22 July Paisley said: "No Government could be more terrible for Northern Ireland than the Tory Government who brought in the Anglo-Irish Agreement. Even the Labour Party could do no worse than that".

Allegations of Deal

In the course of the debate preceding the vote of confidence, the Prime Minister was challenged by Seamus Mallon "to tell the House what deal he did with the nine Ulster Unionists to buy their votes". Major in his reply said:

"I will clear up the matter for the hon. gentleman so that he is left in no doubt. Nothing was asked for, nothing was offered, and nothing was given".

John Smith, in his speech, made an indirect reference to this matter when he said:

"who knows what shady deals were stitched up of which we do not yet know?"

A number of other MP's took up this theme, the longest and most robust contribution coming from Mr George Galloway, a Labour member for Glasgow who devoted his whole speech to the subject and who did not believe what the Prime Minister said. "It is not believed in the North of Ireland where the minority population at least must wait with some trepidation to see what was asked for or what was given", he said. He went on to say that the Prime Minister's assurance was not believed in Dublin or in other EC capitals "and it is not believed in Washington, that is for sure". Speculating mockingly about the kind of deal that may have been done he referred to the possible return of the B Specials, "one man, two votes", "institutionalised discrimination in housing and jobs". He referred to the "nine grim-faced men who, as they entered the Chamber, looked as though they had walked off the set of the 'Jurassic Park' of British politics, the Northern Ireland political system". Quoting the words used by David Trimble on the BBC that morning that "no deal was done as such", he went on to quote him further - "but what we made - was a small investment for the future". Galloway accused the Government of shamelessly exploiting the Unionist members' fears and the fears of their community about "developments in the Labour party's and others' thinking". He was interrupted at this point by Douglas Hurd who accused him of producing "no evidence to refute the statement made by the Prime Minister and corroborated by the Unionists". Robert Atkins, the Northern Ireland Minister, also intervened to say "no deal was done". Galloway stuck to his guns. "I do not believe that", he said to Atkins. He commented on the use by David Hunt of the term "the Conservative and Unionist Party" on the previous evening and on Trimble's remarks that in the past few weeks the Government had been determined "to reaffirm and strengthen their commitment to the Unionist cause". Adverting to the Labour Party discussion document on joint sovereignty, he said "Conservative Members are aware, however, that the idea of joint sovereignty has occupied intellectual thinking time in the backrooms of Governments of both parties for many years". "They are aware that the perfectly respectable fraternal Government of the Republic of Ireland also believes that that idea might be worth pursuing", he added.

Ken Livingstone predictably commented on the "deal" in his contribution. "We are told that there was no deal involving the Ulster Unionists", he said, adding "Does anyone in Britain seriously believe that no understanding was reached? Of course, no one signed a bit of paper because one side did not trust the other". Another Labour MP, Frank Cook, also devoted part of his speech to the same subject. He said that speaking to one of the Unionists MP's on the previous evening, he had put it to him that they had decided to support the Government on foot of a deal. The reply he had got from the Unionist M.P. was "Not a deal, more a commitment". George Robertson, the Labour spokesman on Europe, winding up the debate for his party before the confidence motion, had this to say: "Eventually, history will tell us what the deal was that persuaded the Ulster Unionist party to move across the House, and history will judge those who participated in it on both sides, because I am sure that there are still many chickens to come home to roost".

Government Denials

I was in the Commons for the final stages of the debate and for the voting on both occasions. When the divisions came on 22 July there was high drama, especially when the vote on the Labour amendment ended in a tie. All eyes were on the Unionists. After the Government's defeat the Prime Minister indicated that he would table a motion of confidence on the following day. Sir Russell Johnston, speaking for the Liberals, made the following comment:

"One has to say that, in this tied vote, the Government have been willing to strengthen sectarian politics in Northern Ireland to deny workers' rights in the United Kingdom as a whole".

I met the SDLP members as well as the Labour front bench team on Northern Ireland after the vote. Hume told me he had put the question to Mayhew, "what is this going to cost us?" and the reply he got was "zero". I also met Hume before the vote of confidence on the second day and he told me he had been assured by all the Northern Ireland Ministers that no deal had been done. Michael Ancram approached me in the Members' lobby after that vote and gave me the same assurance. He told me that Mayhew had conveyed the same message to the Tanaiste by telephone earlier that day. I asked Ancram whether his assurance that there had not been a deal also covered the future as well as the present and he confirmed that it did.

The American Dimension

The American Ambassador, Mr Seitz, was seated beside me in the Visitors' Gallery for the debate leading up to the vote of confidence. He told me he had advised the Government not to

do a deal with the Unionists and had subsequently been assured by Mayhew that no deal was done. He had been present in the Gallery earlier in the day when the Prime Minister had given that assurance to the House and he had noticed Molyneux nodding vigorously in support of what Major was saying. I told my American colleague that if some kind of understanding had been reached with the Unionists it would have the effect of bringing the talks process to an abrupt end. This in turn would in all likelihood lead to the renewal of pressure on President Clinton to appoint a special envoy. When the Tanaiste was passing through London on 26 July he told me that on Saturday last, the day after John Major's statement in the Commons, he had got a message from the American Ambassador in Dublin, repeating the British assurance that there had been no deal. She in turn had got this from her London-based colleague, Mr Seitz.

A deal or Understanding?

Despite the Prime Minister's remarks and the assurances given by the Northern Ireland Minister, most Opposition MP's and media commentators generally seem convinced that some sort of deal or understanding was arrived at. Because of the breakdown of discipline in the Tory party, arising from the infection caused by the Euro-sceptics, and spreading to areas well beyond the European theatre, the party badly needs a helping hand from other groups in the House and the only party that can come to their assistance is the UUP. The Tory overall majority at present is 18 and this will almost certainly be reduced to 17 tomorrow when the result of the by-election in Christchurch comes in, showing a loss of one of the safest seats in the country where the Tories had a majority of over 23,000. The statements of Unionist MP's over the week-end has certainly fuelled speculation that a Select Committee on Northern Ireland is in the bag; that extra powers may be given to local authorities and that there will be a change in the way Northern Ireland legislation is dealt with at Westminster, e.g. by making British legislation applicable to both the UK and Northern Ireland. Some of the envisaged measures would in essence be highly integrationist in character and would mark a serious change of direction. The symbolism attaching to them would also be very significant.

Courting the Unionists

It is clear that for some months now the Government have been courting the Unionists, saying the kind of things that are music to their ears. The tight, crucial vote on Maastricht could be foreseen several months ago and Mayhew's speeches over the past six months would have given them a lot of comfort. The Liverpool speech in April where the Secretary of State ruled out joint authority and touched on the notion of extra powers for local authorities can certainly be interpreted in that light. The same goes for Major's and

Mayhew's remarks in Parliament a month ago on the leaked Mc Namara document on joint authority and for Major's letter to Mc Namara, dated 21 July, on the same subject which was conveniently timed and released to make the maximum impact on the Unionists. Seriously scared as they are of any talk about joint authority, the letter in question seems deliberately tailored to impress the Unionists immediately before the crucial vote. It could be argued that Unionist fears of a general election and the advent of a Labour administration should be sufficient to drive their MP's into the voting lobbies with the Tories. Whatever the truth may be about the price paid, the reality surely is that the Unionists have built up a credit balance with the Government and are likely to attempt to draw cheques on foot of this in the next session of Parliament, commencing on 22 October. Unless some, at least, of these cheques are honoured, the Tories may become less certain of the Unionist votes in tight situations in the future. As for the British Government, our aim should be to ensure that no steps are taken that are integrationist in nature or injurious in any way to the Anglo-Irish Agreement. On this latter point it is worth noting what Molyneux reportedly said to the London Independent. In a major front page piece today headed "Major's pact with Unionists exposed", and, with the sub-heading "Agreement with Dublin to 'wither' and Tory party to pull out of Ulster", Molyneux has reportedly given Major the same political lifeline that the Ulster Unionists gave to Callaghan's labour Government at the end of the 1970s. Molyneux told the Independent that he was not holding the Government to ransom with a shopping list of demands, although he wants local democracy for Northern Ireland. However, he expected the Anglo-Irish Agreement to wither, and the Conservative Party presence in Northern Ireland to collapse. Interestingly enough, the same paper carries a report that Dr Laurence Kennedy a founder of the Northern Ireland Conservative Party, was resigning his seat on North Down Council following his allegations that the party leadership had no wish to promote the party in Northern Ireland. In the course of this interview Molyneux suggested that the Anglo-Irish Agreement had become just as meaningless as the Sunningdale Agreement, with its "mumbo-jumbo" communiques and "poppycock" assurances on security.

Select Committee

I would strongly advise that every effort be made to thwart the creation of a Select Committee for Northern Ireland for the reasons already adduced. The Irish Times editorial today is quite mistaken in its assessment of such a committee. In the course of a written answer on this subject on 15 February 1993 Mayhew stated that:

"The establishment of a Northern Ireland Select Committee is a matter for the House. The Government, however, take the view that while such a committee may be desirable in principle there remain a number of issues, including the extent of support from elected representatives from both sides of the Community in Northern Ireland, needing further consideration" (underling added)

It is interesting to note that on 22 July, the day the Unionists supported the Government in the crucial vote on Maastricht, Mayhew in a written reply to Mr Winnick, gave a broadly similar reply, including the precise words underlined above which can be invoked by the SDLP and by us to oppose the creation of such a Committee. It would make no sense, of course, to envisage the formation of a Select Committee while the talks process was in progress but, given the likelihood of these talks coming to an end sooner rather than later, it would be tactically unwise of us to place too much reliance on the talks argument. Yesterday I discussed with Kevin Mc Namara possible ways and means by which the Labour Party might stymie efforts to create a Select Committee. He felt that his party would have difficulty in stopping such a move especially if a proposal was formally made on the floor of the House and had the backing of the Government. The Tories would have the numbers to vote it through, backed up of course, by the Unionists. In a situation like that Labour would probably apply a two-line Whip.

Joint Authority

Kevin Mc Namara gave me to understand yesterday that John Smith had advised him to pull back from the joint sovereignty idea to the party's official policy on Northern Ireland - the promotion of unity by consent. He was also told to ensure that studies and papers are properly labelled and described to ensure that nothing passes for party policy that has not been properly considered and approved. Mc Namara's new booklet "Oranges or Lemons?" arguing the case against his party's organising in Northern Ireland which had just been launched earlier in the day seems to have been the subject of complaint by some party members to John Smith who thought its contents may be a bit "too shrill". I formed the impression, rightly or wrongly, that the leaking of the joint sovereignty paper and its exploitation by the Tories may possibly have annoyed Smith and damaged Mc Namara's standing in his eyes. Hume is convinced that the leak came from a mischievous Labour MP with Unionist leanings.

John Major's Position

Despite his major personal achievement in winning the last general election 15 months ago, the Prime Minister's stock has fallen substantially in the meantime and many mistakes and u-turns have been made by the Government. Their incredibly

inept handling of the coal pit closure issue is a case in point. The protracted debilitating debate on Maastricht and the behaviour of a substantial number of Euro-rebels weakened his standing and his authority in the party and in the country. The loss of the Newbury by-election and the expected loss of another tomorrow at Christchurch means that his over-all majority of 21 after the general election will be whittled down to 17 with the uncomfortable prospect, on the law of averages, of a number of other by-election losses during the life of this parliament. If this trend continues over the next twelve months, with his popular support remaining very low in the opinion polls, he could be in serious trouble, especially if the party suffers serious losses in the elections to the European Parliament. On the economic front the auspices are somewhat better, although recovery still remains patchy. That recovery may not be sufficiently pronounced or sustained to compensate for his deteriorating image on other fronts. The new Chancellor of the Exchequer, Kenneth Clarke, is being spoken of more and more as the heir apparent but it is, of course, too soon to write off John Major.

Possible Action by the Irish Government

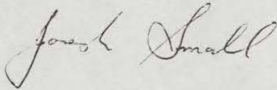
It occurs to me that given our worries and concerns about the new Tory/Unionist relationship and the understandings that may have been reached last week, we should consider what preventive action we might take now to stave off developments that could prove damaging to our interests in the future. One possible course of action could be a letter from the Taoiseach to John Major containing some or all of the following elements:

- congratulations on completing the parliamentary process in relation to the Maastricht Treaty and expressing confidence that the legal action would be disposed of quickly to enable Britain to ratify as soon as possible
- Note Major's assurance to Parliament (and Mayhew's subsequent assurance to the Tanaiste) that no deal had been done to secure the Unionists' support and the assurances he had given to the Taoiseach personally in the past that despite the tight parliamentary situation there would be no such deals.
- Note what individual Unionist MP's, including Molyneux, have been saying in the meantime about a Select Committee, more power to local authorities, Anglo-Irish Agreement, etc.
- On the basis of what the Prime Minister has said, the Taoiseach is not prepared to give credence to these claims but would be seriously concerned if any elements in the British Government would countenance any such

developments which would have a negative impact on our bilateral relations and would seriously damage our efforts to achieve a solution to the Northern Ireland problem.

The point of such a letter is that it would be preemptive and would make it extremely difficult for the British to make any of the concessions the Unionists are crowing about. Besides, if in, say, six months' time the British began to make concessions to the Unionists, it would be tempting on our part to leak the Taoiseach's letter to expose the betrayal.

Yours sincerely



Joseph Small
Ambassador