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MEETING BETWEEN THE SECRETARY OF STATE AND MR MOLYNEAUX ON 20 SEPTEMBER

Present: Secretary of State Mr Molyneaux
 PUS
 Mr Daniell

1. Mr Molyneaux said that his willingness to co-operate with and assist the Secretary of State would disappear if "the red Dublin button was pressed and we got the wrong agreement". He noted that the Sunningdale preamble stated that there would be no change in Northern Ireland's constitutional position without the consent of a majority in the Province. This had been challenged in the Irish courts which had ruled that the agreement was not in breach of the constitution as it did not assert that Northern Ireland was part of the United Kingdom. That had not reassured unionists and was a point very much in people's minds in the context of the current talks. Also, Mr Molyneaux referred to a feeling in Whitehall that Sunningdale had sought too much progress too quickly; any repeat would have to be phased over a number of years. That meant that a limited agreement, reached now, would be interpreted as the first stage of a process which would lead to unacceptable arrangements. There had been worries about this since January 1985 and people, outside Mr Molyneaux' and Dr Paisley's control, were ready to react; if they did not like what came out of an agreement there would be no time to hold them back. Mr Molyneaux noted that the Secretary of State had, the previous evening, spoken of the need for stability and an improved image for Northern Ireland. Speculation about the talks was acting contrary to these aims and there was a danger that an agreement could destroy stability for four or five years.

2. The Secretary of State said that in his judgement, there should be nothing in the agreement, if there was one, to cause deep rooted concern to the majority community. He noted Mr Molyneaux' and Dr Paisley's acceptance, in their joint letter to the Prime Minister, of the case for talking to Dublin and of the arguments for devolution within Northern Ireland, with some form of minority involvement. All of this suggested that what was actually on the table for discussion could not justify any major outburst on the part of loyalists; nevertheless the Secretary of State recognised that people might over-react on the basis of what they perceived to be in an agreement and fears for the future. Agreement would bring benefits for people in the island of Ireland in the security field; and it might lead to greater acceptance of the institutions of government in Northern Ireland on the part of the nationalist community. It could also contain a clear statement from the Republic about the rights of the majority in the North.

3. Mr Molyneaux said that any agreement should ideally come across as a high level instrument aimed at improving relations between two sovereign states; it should carry an international flavour; it should not be focussed on the six counties of Northern Ireland. It would be a mistake to establish a formal structure; if the Irish had access to Ministers in Northern Ireland, then it would be difficult to assert convincingly that decisions had not been taken at their behest. If there had to be an Irish presence of some form, resulting from an agreement, it would be less offensive if it were located in London rather than in Northern Ireland. (The Lord Mayor of Belfast had made exactly the same point to the Secretary of State earlier in the day).

4. On being asked about the prospects for devolution, Mr Molyneaux said that it would be very difficult to achieve progress, based on the Assembly; it looked to the SDLP too much like the old Stormont. It was difficult to envisage any form of devolved government being achieved on the basis of the 1973 Act which required power sharing or of the 1982

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Act. Northern Ireland politicians could not be accepted as impartial which militated against the creation of agreed structures of government in the Province. For that reason, Mr Molyneaux had hoped that the Assembly Report Committee would mount a low key study of ways of making progress at the local level. The three parties on the committee should have concentrated on producing ideas which the Secretary of State could put to the SDLP. Instead they had turned themselves into something akin to a Royal Commission, inviting "experts" to give evidence. Such a process could not realistically be expected to produce anything constructive.

5. On being asked by PUS whether the SDLP might enter the Assembly after another election and with an offer of an acceptable form of government, Mr Molyneaux said that there had been more chance of that a year ago. It was interesting that a lot of SDLP councillors had asked for copies of The Way Forward. However, the Anglo Irish discussions had caused the SDLP to concentrate on the Irish dimension and to lose interest in internal Northern Ireland politics. In Mr Molyneaux's judgement, if the talks succeeded the SDLP would not be persuaded to come into the Assembly, especially with PSF breathing down their necks while the unionists would be alienated and less inclined to talk constructively about internal political development.

6. Mr Molyneaux said that if there was no Anglo-Irish agreement, then unionists might say that there should be private inter-party discussions with a view to erecting modest structures in which there would be a role for the SDLP. Such structures might involve decentralising some "ground level" services such as some of those provided by DOE, enabling legitimate constitutional parties to exercise responsibilities in such areas. In such circumstances the SDLP could survive as a credible force, provided that they adopted a constructive approach to internal Northern Ireland affairs and did not raise the bogey of power sharing. This pointed to the need not to think in terms of transferring powers to locally elected representatives to such an extent that a Cabinet or Executive needed to become part of the machinery.

7. On Provisional Sinn Fein, Mr Molyneaux said that HMG could not go on expecting constitutional parties to rub shoulders with people who supported murder when Ministers themselves would have nothing to do with them. The Secretary of State said that he did not wish at this stage to say anything definitive about policy on PSF. However, as a newcomer, he could observe that some councils had handled the issue well and had sought to avoid giving PSF publicity. Publicity and confrontation played into PSF's hands. All of this pointed to the desirability of seeking to bolster the SDLP and creating conditions in which they could participate in Northern Ireland's affairs without losing face. Mr Molyneaux agreed that ideally there would be a strategy for enabling the SDLP to deliver while isolating PSF and that this was something he would consider. As for Seamus Mallon's concern that there was no guarantee against discrimination in local structures, this could be countered by the argument that the Secretary of State held the purse strings and could thereby ensure that administration was even-handed. This was an argument against devolution in that with a fully devolved government, the Secretary of State's ability to hold the ring would be much reduced. The Secretary of State pointed out that on the other hand, if substantial powers were devolved then they would be demonstrably outside the scope of matters over which the Republic might have an influence.

8. Mr Molyneaux said that he would soon approach PUS, as agreed in July, with a view to having private discussions about means of improving procedures for Northern Ireland legislation under Direct Rule.

Justin De Ke-Evans

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Private Secretary

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