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IMMEDIATE 1 Mr [unclear] [unclear]

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2 cc PS/SJS(B) M
P/S Dr Boyson (L) PS/Mr Scott (L) M
P/S Lord Lyell P/S Dr Maudling (L) M
P/S Mr [unclear] (L) PS/PUS (L) M

10 DOWNING STREET

1 P/S Mr Blayfield M
Mr Brennan
25 February 1986 2A1311
Mr A Stephens M

From the Private Secretary



3 SJS to see
fratna
P/S [unclear]
Mr Sherrington
Mr Terreyhough M
Mr Elliott M
Mr Lillie M
Mr Bell

Dear Jim,

PRIME MINISTER'S MEETING WITH THE UNIONIST PARTY LEADERS

Miss Elliott
Mr Mc Donnell
Mr G Hewitt
Mr Simon

I enclose a record of the Prime Minister's meeting this morning with Mr. Molyneaux and Dr. Paisley, together with a copy of the statement issued at the end of the meeting. The latter has already been sent to the Embassy in Dublin for the Irish Government. You will note that the Prime Minister agreed to a further round of discussions with the Unionist Leaders before Easter.

You will wish to consider with the Foreign Office and the Cabinet Office whether the Prime Minister should send a message to the Taoiseach giving the main points of the discussion.

I am copying this letter and enclosure to Len Appleyard (Foreign and Commonwealth Office), Michael Stark (Cabinet Office) and Murdo Maclean (Chief Whip's Office).

using [unclear]
Charles Powell



Jim Daniell, Esq.,
Northern Ireland Office.

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RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND THE
RT. HON. JAMES MOLYNEAUX, M.P., AND DR. IAN PAISLEY, M.P.,
AT No. 10 ON TUESDAY 25 FEBRUARY 1986 AT 0930

PRESENT

The Prime Minister

The Rt. Hon. James Molyneaux,
M.P.

Secretary of State for
Northern Ireland

Dr. Ian Paisley, M.P.

Mr. C. D. Powell

Mr. Molyneaux thanked the Prime Minister for inviting Dr. Paisley and himself to Downing Street. He wished to begin by clearing up an important point. In her interview with the Belfast Telegraph on 17 December 1985, the Prime Minister had said that devolution would get rid of the Inter-Governmental Conference. Did this remain the Prime Minister's position? The Prime Minister said that the point she had been making was that, once there was an acceptable scheme of devolution, matters for which the devolved administration in the North was responsible would be excluded from the field of activity of the Conference. But the Conference would continue to have a role in cross-border co-operation between the United Kingdom and the Republic. Dr. Paisley said that the Unionist Parties agreed that cross-border co-operation would be needed. But this was not to say that such co-operation had to be conducted through the Inter-Governmental Conference. The Prime Minister said that she did not think there could be any doubt about the position as set out in the text of the Anglo-Irish Agreement. Matters with which a devolved administration would deal would be removed from the purview of the Inter-Governmental Conference and would thus significantly reduce the Conference's scope.

Dr. Paisley said that the vast majority of Unionists were opposed to the Anglo-Irish Agreement. Indeed the vote in

the recent by-elections represented total and utter rejection of it. Events were moving towards serious instability in Northern Ireland. He had to put a crucial question to the Prime Minister: was she prepared to consider alternatives to, or replacement of, the Anglo-Irish Agreement? To agree to this would be consistent with her remarks to the Belfast Telegraph about getting rid of the Inter-Governmental Conference. If this was accepted, the Unionist Leaders proposed that she should call a round table conference of all parties in Northern Ireland except Sinn Fein to look at ways of making progress towards devolved Government. Once that round table conference began its work, the Unionist Parties would expect implementation of the Anglo-Irish Agreement to be suspended. If however the Prime Minister could not agree to consider alternatives to, or replacement of, the Inter-Governmental Conference, he and Mr. Molyneaux would have nothing further to say.

Mr. Molyneaux said that the Unionist Parties had been careful to say that they did not expect the Government to tear up the Anglo-Irish Agreement. They recognised that this was impossible. But there would have to be some scaling down of activity under the Agreement or temporary suspension of the Conference and the Joint Secretariat while a round table conference on devolution took place. This was not to say that Ministerial meetings with the Irish Government should cease. They should continue on the same basis as before the Anglo-Irish Agreement.

The Prime Minister said that she saw some contradiction between saying that the Anglo-Irish Agreement could not be torn up while at the same time demanding that matters revert to the situation which existed beforehand. She thought that both Mr. Molyneaux and Dr. Paisley recognised in their hearts of hearts that the Agreement existed, that it had been endorsed by both Houses of Parliament and that the Government was committed to implement it. At the same time, she could well understand the strong feelings of the Unionists and the significance of the vote in the recent by-elections. She

wanted to find a way forward. She genuinely believed that Unionists under-estimated the advantages which the Agreement offered, both in the reaffirmation of Northern Ireland's status and in terms of cross-border security co-operation.

The Prime Minister continued that she recognised that the Unionists were bitter at not having been more fully consulted during negotiation of the Agreement. So the first point of discussion was how to devise a system which would allow full consultation with the Unionists in future. The Government would be happy to establish arrangements for consultation which need not be confined to matters discussed in the Inter-Governmental Conference. They could, for instance, cover security questions. Their frequency would be a matter for discussion and would not necessarily be geared to meetings of the Inter-Governmental Conference. This was the first point in the Government's response to the Unionists' concerns.

The second point which she wished to discuss was devolution. The Government was prepared in principle to sit down at a round table conference with the parties in the North to consider without any pre-conditions the scope for devolution. Such a round table conference could look at ideas already put forward by the Ulster Unionist Party, the Democratic Unionist Party, as well as other suggestions. The outcome must be acceptable to both communities. She would be talking to the other party leaders in the next few days. Thirdly, the Government were ready for consultations with the Unionist Parties on the future of the Northern Ireland Assembly and on the handling of Northern Ireland business at Westminster. The various discussions which she had proposed could take place in a series of working parties. She hoped that Mr. Molyneaux and Dr. Paisley would reflect on her suggestions. They might then meet again for a further discussion.

The Prime Minister said that she must make clear that the Government could not agree to temporary suspension of the

Anglo-Irish Agreement. But she had put forward very constructive proposals for a series of discussions because the Union and maintenance of it mattered deeply to her. She very much hoped her ideas would find favour and bear fruit.

Mr. Molyneaux said that he appreciated the Prime Minister's concern for the Unionists though he would argue that their worries were shared by a significant proportion of the Catholics in the North. However, it was clear that the Irish Government had a different view of the Anglo-Irish Agreement to that held by HMG. He and Dr. Paisley then produced a series of quotations from Dr. FitzGerald and Mr. Barry which purported to show that the Irish Government's role in the North was more than consultative. Dr. Paisley added that the Anglo-Irish Agreement was actually worse than Sunningdale. At least Sunningdale had stated explicitly that Northern Ireland was an integral part of the United Kingdom and it had not envisaged a Conference which gave the Irish Government a say in the affairs of the North without the North itself being represented. The Prime Minister retorted that Dr. Paisley consistently over-looked the crucial fact that the Inter-Governmental Conference was not a decision-making body and that all decisions North of the border rested with the United Kingdom.

Mr. Molyneaux asked whether the Prime Minister had seen an account of discussions between unofficial Unionist and SDLP representatives at which the latter appeared ready to envisage suspension of the Inter-Governmental Conference in certain circumstances. The Prime Minister said that she would have to bear the SDLP views direct from Mr. Hume.

The Prime Minister then read out to Mr. Molyneaux and Dr. Paisley paragraphs 2 and 3 of the draft statement which had been prepared before the meeting setting out the four points on which she had made proposals (consultation with the Unionists, the future of the Assembly, arrangements for handling Northern Ireland business at Westminster, and a round table conference on devolution). Mr. Molyneaux asked whether

it was accepted that the Unionists would enter discussion of these points without pre-conditions. The Unionists would have to say that, by entering discussions, they were not accepting the Anglo-Irish Agreement. Dr. Paisley added that it would have to be clear that the talks would not be within the parameters of the Anglo-Irish Agreement. It would not be acceptable for the Irish Government to have an input. The Prime Minister said that, under the terms of the Anglo-Irish Agreement, the Irish Government had the right to put forward views and proposals on devolution. Whether such views and proposals would be accepted was a matter for the United Kingdom. Dr. Paisley said that the Unionists recognised that at the end of a round-table conference they might have to swallow some bitter medicine. But they would not take poison. They could not be expected to endorse implementation of the Anglo-Irish Agreement. The Prime Minister had to recognise that there was no hope of a round table conference being successful unless the Inter-Governmental Conference were in abeyance. The Prime Minister repeated that there was no question of putting the Inter-Governmental Conference into abeyance. Moreover, there was no serious possibility that the SDLP would attend a round table conference on devolution unless they had the assurance that the Anglo-Irish Agreement would continue. It was no good attaching conditions to a round table conference which precluded one party or another from attending.

Mr. Molyneaux asked whether it would not be possible at least to seek a low profile for the Inter-Governmental Conference while a round table conference was in progress. The Prime Minister said that we would operate the Agreement as sensitively as possible. Dr. Paisley reverted to his assertion that no round table conference would have a chance of success unless the Inter-Governmental Conference were suspended. The Prime Minister said that she was going as far as she could to help the Unionists. There was no point in a round table conference without the participation of all the constitutional parties in the North. She repeated her hope that Mr. Molyneaux and Dr. Paisley would reflect on the

proposals she had made and return for further discussions. She wanted the Union to continue and flourish.

Dr. Paisley said that what the Prime Minister was proposing meant the end of the Union. The Prime Minister asked what he had in mind by that. Was he thinking of some alternative? Dr. Paisley said that the Union meant being ruled in the same way as the rest of the United Kingdom. Nobody else had to put up with an Inter-Governmental Conference with an enemy state. The Prime Minister said she must repeat that the Government were committed to implement the Agreement. She very much hoped that no action would be taken in Northern Ireland on 3 March. It would be very damaging if such action were taken. Dr. Paisley said that he and Mr. Molyneaux knew nothing of plans for 3 March. They would reach their decisions when they had considered the outcome of the present meeting.

The Prime Minister said that there seemed to be a risk that the current meeting would lead to no positive conclusion. She very much wanted to avoid such an outcome. Surely Mr. Molyneaux and Dr. Paisley were ready to undertake to reflect and return for further discussions. Mr. Molyneaux wondered whether the Prime Minister could not persuade the Taoiseach that it would be in the Republic's own interests to scale down the level of the Inter-Governmental Conference's activity while round table discussions on devolution were taking place. The Prime Minister said that a round table conference might well take a long time. The Government must operate the Agreement which it had signed but would try to do so sensitively. She could not go beyond that. She had tried everything possible to help. She did not want the meeting to break down. She urged the Unionist leaders to accept the statement which had been drafted. Dr. Paisley said that he saw no hope of successful talks on devolution if the Inter-Governmental Conference was still going on. Could it not be shunted into a siding? The Prime Minister repeated that we could not vary the provisions of the Agreement. We could only undertake to operate it sensitively.

Dr. Paisley asked what the Prime Minister had in mind in proposing a further meeting with Unionist Leaders "shortly"? The Prime Minister said that she envisaged a further meeting this side of Easter. Dr. Paisley said that if the Unionists accepted the statement, it must be clear that they would only enter discussions on the basis that they were held outside the Anglo-Irish Agreement. Mr. Molyneaux said that, at the least, the Government should not claim that the discussions were within the ambit of the Agreement.

It was agreed that No. 10 Downing Street would issue a statement annexed to this record following the meeting and that so far as possible both sides would avoid putting a gloss on it.

The meeting ended at 1110 hours.

CDP
25 February 1986

STATEMENT ISSUED FOLLOWING THE PRIME MINISTER'S MEETING WITH
UNIONIST LEADERS ON 25 FEBRUARY 1986

1. The Prime Minister had a meeting today lasting just over one and a half hours with Mr. Molyneux of the Ulster Unionist Party and Dr. Paisley of the Democratic Unionist Party.

2. The Prime Minister, while reaffirming the Government's commitment to the implementation of the Anglo-Irish Agreement, made it clear that the Government would like to establish new arrangements for enabling unionists to make their views known to the Government on affairs in Northern Ireland. She said that she would welcome discussion with the unionist leaders of the form that such arrangements might take. The Prime Minister also offered consultations with the unionist leaders about the future of the Northern Ireland Assembly and about the arrangements for handling Northern Ireland business in Parliament at Westminster.

3. The Prime Minister agreed to consider positively a suggestion by Mr. Molyneux and Dr. Paisley that the Government should call a Round Table conference to discuss devolution in Northern Ireland. She said that the Government would be willing to consider any system of devolution that would command widespread acceptance in Northern Ireland.

4. It was agreed that the Prime Minister and the unionist leaders would reflect on the various suggestions that had been made and would meet again shortly. It was understood that, if after discussion with all concerned the ideas raised in our talk today bore fruit, we should need to consider what that meant for the work of the Intergovernmental Conference.

5. The Prime Minister will be discussing the various ideas in forthcoming meetings with Mr. Hume of the Social Democratic and Labour Party, Mr. Kilfedder of the Ulster Popular Unionist Party and Mr. Cushnahan of the Alliance Party.