1. Mr Bloombard

## PRIME MINISTER

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## ANGLO-IRISH RELATIONS: NORTHERN IRELAND

We had a stocktaking meeting of the "Armstrong-Nally" group on Friday 7 February.

We first discussed the situation in Northern Ireland following the by-elections. Sir Robert Andrew said that the results of the by-elections had not been quite such a success for the unionists as they had hoped for; their hostility to the Anglo-Irish Agreement remained, but they were uncertain how to proceed. Some were beginning to think that the best way forward might be to pursue possibilities of a devolved administration in some sort of "round table" conference with the other parties in Northern Ireland. But the situation remained tense and potentially risky including the position in relation to local councils. The SDLP had had some success, winning one seat and capturing a lot of votes from Sinn Fein. Nonetheless, they seemed to be waiting for the unionists to "get a bloody nose" from the Government before themselves making any move. We stressed the need for early movement by the SDLP.

On the Intergovernmental Conference there was agreement on both sides that there was a danger of its becoming too concentrated on immediate issues and too confrontational: it should be used less as a venue to discuss problems of particular marches or events, and more as a forum for discussion of general problems and programmes. The Irish side recognised that we might need to offer some kind of parallel channel in which unionists could "put forward views and proposals", but hoped that our commitment to the Anglo-Irish Agreement and to the Intergovernmental Conference would not be diluted. They thought that you could profitably remind the unionists that, while some subjects - external defence, and security, for instance - would remain the responsibility of Westpiminster, most aspects of economic and social policy would pass to a devolved government, if one could be established on a widely acceptable basis, and thus taken out of the remit of the Intergovernmental Conference.

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The Irish side thought that the Taoiseach would want to discuss with you how to make progress with the establishment of the Anglo-Irish parliamentary body envisaged in Article 12 of the Agreement since this was a matter in which some members of the Dail were showing some interest. We said that we thought that your view on this would be that the initiative should come from the parliaments not from the governments, though we recognised that governments might need to give the parliaments "a bit of a nudge". We doubted whether such a body could have powers, but Ministers might agree to report to it from time to time. The House of Lords of the Senate should be represented as well as the House of Commons and the Dail. The new body might be built upon, though it would supersede, the existing Anglo-Irish Parliamentary Committee.

We noted such progress as there had been towards American agreement on a contribution to a new fund. Despite the Gramm-Rudman amendment the omens were not unhopeful. The President might want to make an announcement at a St. Patrick's Day function in honour of Mr. Tip O'Neill next month, which the Taoiseach will be attending. If this is raised by the Taoiseach, you will want to emphasise the need for avoiding any appearance of an American contribution being exclusively to the Republic.

We emphasised the need for early and tangible results from cross-border security co-operation as a demonstration to Northern Ireland, particularly unionist, opinion of the value of the Anglo-Irish Agreement. The Irish side said that co-operation had improved, though they accepted that more was needed. We agreed with them that this should be followed up in the Intergovernmental Conference.

I am sending copies of this minute to the Foreign and Commonwealth Secretary and the Secretary of State for Northern Ireland.

TWE WASK MM

Sir Robert Armstrong 18 February 1986

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