FROM: SS/SECRETARY OF STATE 23 MAY 1990

> PS/Secretary of State (L&B) - B CC. PS/Minister of State (L&B) - B PS/Dr Mawhinney (L&B) - B PS/PUS (L&B) - B 2. cc M / PS/Sir K Bloomfileld Mr Burns - B3. Pol 2. Mr Ledlie 101015 Mr Thomas B Mr Alston B Mr Wood (L&B) B Mr Hill Mr Blackwell 4 B SERVI B Mr J McConnell - B Mr Daniell - B Dr Donnelly

NOTE FOR THE RECORD

MEETING WITH UNIONIST LEADERS: 22 MAY 1990

The Secretary of State met Mr Molyneaux and Dr Paisley in the Conference Room in NIO(L) at 6.00pm yesterday. PUS, Sir K Bloomfield, Mr Burns, Mr Thomas and I were also present. The meeting, which took place in a cordial and constructive atmosphere, lasted for some 3 hours 45 minutes.

- 2. The following issues of substance were covered:
 - (i) Willingness to consider an alternative Agreement.

 Opening for the unionists, Dr Paisley confirmed that he and Mr Molyneaux accepted that their first precondition had effectively been met by the Secretary of State's letter of 4 May (although they had as yet received no confirmation from Dublin that the Irish were willing to consider a proposal for an alternative Agreement). The Secretary of State recalled that at an earlier meeting the DUP leader had accepted that the Taoiseach had indicated that he would be prepared to consider a new Agreement, so he regarded that point as settled.

- (ii) Gap between Conference meetings. Dr Paisley said that the two leaders also accepted that their second precondition (a "suspension" or period of non-implementation of Conference meetings) was capable of being met, subject to the initial announcement establishing a sufficiently strong linkage between the gap between Conference meetings and the intention of facilitating political talks. On an important point of detail, he did not like the word "gap", which carried the connotation of a natural interval which would have occurred anyway. It had to be made clear that the interval between Conference meetings was an exceptional occurrence specifically designed to facilitate political movement. The Secretary of State said that he was content with this. As he had made clear at the last meeting, the wording of the announcement would need to be agreed with all the relevant parties, including the Irish. (He also indicated that he would continue to use the word "gap" during the meeting for the sake of clarity. He however appreciated Dr Paisley's sensitivity about it and would consider what alternative might be used in public statements).
- (iii) Timing of bilateral meetings. The Secretary of State said that at the last meeting the Unionists had made clear that they did not want to engage in substantive bilateral negotiations before the gap began.

 However, in order to reduce the time spent during the necessarily limited period of the gap on preparatory work which could as easily be accomplished beforehand, would it not be possible to have one or more bilateral meetings after the agreed announcement signalling the start of the process but before the gap actually started? After some discussion, the Unionist leaders indicated that, while it would not be possible to have any substantive bilateral meetings with the Secretary of State before the gap

started, they would find it possible to talk about "nuts and bolts" issues with officials. These issues could encompass both diary matters (eg identifying dates for bilaterals and inter-party talks) and the formulation of an agenda of the issues which the Unionists would wish to see addressed during the substantive talks. As a starting point, the officials could work up the proposals in the Unionists' January 1988 document into an agenda of issues for discussion. The two leaders' meetings with the officials would be private, with no publicity and without the "aura of summitry" (and attendant media pressure) which arose from meetings with the Secretary of State. The Unionist leaders would <u>not</u>, however, in any sense be conducting negotiations during these meetings.

Transition from bilaterals to round-table talks. The (iv) Secretary of State asked for confirmation that if, after holding bilaterals, he issued an invitation to the Unionists to participate in round-table talks involving all the constitutional parties, then they would accept. Mr Molyneaux and Dr Paisley indicated that they would regard themselves as "duty bound" to accept and would therefore come to the conference table. However, it would be important for the Secretary of State to use the bilaterals to establish that there was indeed sufficient common ground between the parties to avoid a premature rupture at the first meeting of the round-table conference. Dr Paisley said that both Unionist leaders meant business, but it would be important to establish that the SDLP were similarly serious about negotiating and were not just going to repeat "John Hume's long-playing record" about the need for Unionists to recognize their Irish identity.

- (v) Round-table scene-setter. The Secretary of State said that it was agreed that the Unionist leaders would have preliminary meetings with officials to clarify the agenda. These would then be followed by the pre-gap Conference and the announcement (using agreed words) that the process had started. He would like to start off the gap with an initial round-table meeting of the parties at which he could spell out the ground rules so that there was no ambiguity about the assumptions on which the process was based. Mr Molyneaux and Dr Paisley were lukewarm about this proposal, but indicated that at that stage in the process they would be in the Secretary of State's hands. They did however regard it as extremely important that the Secretary of State should hold at least one round of bilateral meetings before the scene-setting round-table meeting in order to ensure that the latter did not collapse in acrimony once the first contentious issue was raised. The Secretary of State agreed that this would be valuable.
- (vi) Non-implementation of working of Secretariat. Dr Paisley said that the two leaders had thought long and hard about how their third precondition might be met. Their legal advisers were definite that the correct interpretation of Article 3 of the Agreement was that the Secretariat's only function was to service meetings of the Conference; once these meetings were suspended there was therefore no further role for the Secretariat and it could be put into cold storage. At the last meeting, the Secretary of State had explained that the Secretariat had also acquired the role of a conduit of communication between the two Governments on other matters, eg security. It seemed to the two Unionist leaders that these contacts could continue under Article 9(a), which provided for the setting up of

groups of British and Irish officials to liaise on security matters. Against this background, the two leaders wished to propose the following form of words - beyond which they could not go - to meet their third precondition:

"During the suspension of the Conference, the Secretariat would cease its work at Maryfield of servicing the Conference as defined in Article 3 of the Agreement."

The <u>Secretary of State</u> said that it would not be accurate to say that the Conference was being "suspended", since although there would be a clearly announced interval between Conference <u>meetings</u> in order to enhance the chances of political progress, the Conference was a continuous piece of machinery, involving the Secretariat, and would not therefore come to a complete halt during the gap. For example, he would not dream of suspending the work of the group of officials (with Secretariat representation) which had been established under Article 8 to find ways of improving the extradition process. He would therefore propose the following alternative formula:

"While the Conference is not meeting, the Secretariat would cease servicing Conference meetings as specified in Article 3."

Mr Molyneaux said that he was unhappy with the word "meetings", since it seemed merely tautologous to say that meetings which were not taking place would not be serviced. Dr Paisley said that there would have to be a reference to Maryfield in the formula. He also believed that it would be essential for any meetings in which the Secretariat was involved during the gap to take place outside Maryfield. If members of the Secretariat had to participate in such

meetings (eg on extradition), could they not be regarded (following the wording of Article 8) as "experts"? The <u>Secretary of State</u> commented that, even if this were practicable, it would not address the Secretariat's function as a discrete communication channel.

The meeting broke for 15 minutes at this point to allow the Secretary of State to confer with officials. When the Unionists returned, the Secretary of State said that he wished to be entirely frank with the two leaders. The Agreement was an international treaty and there was no question of HMG unilaterally abrogating it. In addition, it was inconceivable that the two Governments would not need the resources of the Secretariat during the gap.

Nonetheless, the Secretariat would have a reduced role over this period and he was anxious to find as helpful a form of words as possible to describe this. Against this background, he would like to propose the following formula, which sought to an extent to accommodate Unionist concerns:

"The Conference will not be meeting between [x] and [y] and the Secretariat at Maryfield will accordingly not be required to discharge its normal role, provided for in Article 3 of the Agreement, of servicing Conference meetings."

After a brief further withdrawal, Mr Molyneaux indicated that he and Dr Paisley could, subject to an understanding of the realities of what would actually be happening at Maryfield, accept the following slightly amended version of this:

"As the Conference will not be meeting between [x] and [y], the Secretariat at Maryfield will accordingly not be required to discharge its

normal role of servicing Conference meetings provided for in Article 3 of the Agreement."

On Maryfield, Mr Molyneaux asked whether the Secretariat would in fact still be functioning there during the interval. The Secretary of State said that the Secretariat officials would still need to be based in Maryfield and there were some items of business - e.g. answering the telephone and transmitting routine messages, etc - which it would not make sense to seek to move. However, it would be possible for meetings involving the Secretariat to take place away from Maryfield. Dr Paisley said that the two Unionist leaders could evidently not police what went on in Maryfield during the gap. They would have to trust the Secretary of State to ensure that the arrangements at Maryfield reflected the spirit of the understanding which had now been reached. On a different point, the final formula would of course also need to contain a form of words specifically indicating (as discussed earlier) that the interval between Conference meetings had been arranged specifically in order to facilitate political progress. The <u>Secretary of State</u> said that he accepted this: the precise form of words could be settled separately and would have to be agreed between all those concerned. [NOTE: The two leaders did not insist on or even suggest a public formula to cover the location of Secretariat meetings during the gap.] The Unionist industry work darks that they had we

(vii) Timing of talks with Dublin. The Secretary of State said that at the last meeting the Unionist leaders had stressed their unwillingness to have early talks with the Irish Government as a means of initiating the North/South dialogue (which would be one of the three strands of talks involved in the overall process). It was however important for him to know

when precisely they <u>did</u> envisage a meeting with Dublin. Dr Paisley said that the Unionist leaders believed that the Secretary of State should act as the go-between in the dialogue with Dublin, pending the establishment of a new form of government within Northern Ireland. Once that was established, the Unionist leaders would then have the authority and responsibility conferred by an electoral mandate to talk directly to Dublin. But until then, the Unionists believed that the Secretary of State was the only competent person to deal with the Irish Government. Mr Molyneaux said that negotiations with foreign governments should fall to HMG, not to leaders of individual parties. The Secretary of State said that the perennial theme of the Unionists had been that they wanted a new Agreement to replace the existing one. It was hard to see how they hoped to make progress towards that if they were unwilling to put their views directly to the Irish Government. They would be able to put the Unionist case better than he could. Sir K Bloomfield said that it was common ground that the talks process should have three strands. Assuming that the discussion on internal arrangements was taken somewhat ahead of the other two strands (North/South and East/West dialogue), it would introduce a potentially unmanageable hiatus if, once the internal talks had reached agreement, there then had to be legislation and elections to an Assembly in Northern Ireland before the Unionist leaders considered that they had the necessary authority to talk to Dublin and therefore take forward that strand of the dialogue. Dr Paisley said that this was a misapprehension. Once they had a mandate from the people of Northern Ireland, the Unionist leaders would be happy to deal directly with Dublin without involving the Secretary of State. But they would be willing to meet the Irish Government before that point, provided that the

necessary spadework had been done by the Secretary of State (this might, for example, encompass sounding out the Irish on the proposals for cross-border relations in the January 1988 document) and after substantial progress had been made in the internal talks. As to the format of such a meeting,

Mr Molyneaux indicated that the Unionist leaders would be happy to take their place in a UK team led by the Secretary of State.

There was considerable discussion of the form of words which could be used to encapsulate this agreement. The Unionist leaders were concerned that there should be no suggestion that agreement on new internal structures was conditional on the approval of the Irish Government, although they accepted that there was an intimate relationship between an internal settlement and agreement on North/South relations. The following formula was in the end agreed:

"We recognise that the implementation of any agreement on internal Northern Ireland arrangements would be greatly strengthened if agreement were also reached on the relationship between any new Northern Ireland administration and the Irish Government. This will require direct discussions between the UK team, including representatives of the Northern Ireland parties, and the Irish Government, and we would envisage a meeting to open such discussions as soon as substantial progress has been made on the internal discussions."

(viii) Role of Joint Heads of Secretariat during gap. The Secretary of State said that at the last meeting the Unionists had been concerned by his suggestion that the Joint Heads of the Secretariat should be involved

in servicing the North/South and East/West talks. He wanted to stress that there was no suggestion that the Joint Heads should be involved in the talks on <u>internal</u> arrangements. <u>Dr Paisley</u> said that this would nonetheless be seen by Unionists as the two leading lights in the Secretariat having a major role in the talks process. If, as had been suggested, the East/West and North/South talks started very shortly after the internal talks and it was announced that the Heads of the Secretariat were involved, then it would be immediately assumed that the precondition on the Secretariat had not been met and that Dublin was being given an "inside track" on the internal talks. Mr Molyneaux said that, since it had now been agreed that the scheduling of the three strands of talks would be more consecutive and less concurrent (with the internal talks starting first), he assumed that this immediate juxtaposition was no longer being envisaged. The Secretary of State said that this was correct: the understanding now reached on the scheduling of talks would evidently have implications for the deployment of the Joint Heads. Dr Paisley asked whether it was necessary to "trumpet" that the Joint Heads were involved in servicing the other two strands of talks. If this was necessary, could they not simply function as anonymous officials advising their respective Governments? The Secretary of State said that there might be scope to handle the issue in this way. The idea of specifying the other duties which the Joint Heads would take on during the gap had been intended as helpful - to provide a plausible answer to the question "well, what are they doing?" It was not an essential part of the arrangements. Mr Molyneaux said that it would be helpful if it could be specified that the Joint Heads were not involved in the internal talks, and had no role at all in the talks process at all to begin with (since the North/South and East/West strands of the dialogue

would not have started). The less the Government could go into detail about the other duties which the Heads had taken on, the better it would be for the Unionists (and for the chances of successful internal talks).

- (ix) Next steps. The Secretary of State said that following the understanding which had now been reached, he would aim to meet the SDLP and the Alliance Party in the near future (and would also probably have a meeting with the Irish Government). Mr Molyneaux said that these meetings with the other parties should assist the Secretary of State in the task of formulating the agenda for the talks on internal arrangements. Dr Paisley said that it would be helpful for the Unionist leaders to meet the NIO officials (with whom it had been agreed they would discuss "nuts and bolts" issues, including the agenda) after these meetings with the other parties had taken place. Mr Burns commented that there was likely to be substantial media pressure on the various participants in the talks process, particularly in respect of any developments or statements which might seem to threaten progress. would therefore be valuable to establish a channel for private communication between the participants to enable potential problems to be identified and resolved in advance. The channel between officials and the Unionist leaders might be useful for this purpose.
- (x) Statement to press. Dr Paisley said that, in speaking to the press after the meeting, the Unionist leaders would have to say that as far as they were concerned their preconditions had been met and that in due course the Secretary of State would be making a full announcement. Sir K Bloomfield said that that might well precipitate an extremely negative reaction

from the SDLP which would abort the chances of progress. Mr Molyneaux said that he could see this problem and believed it might be possible to rest on saying something like:

"We have reached the final meeting in this series and are well satisfied with the outcome."

It was <u>agreed</u> that the Unionist leaders would seek to stick to this line (which in the event they largely did).

3. The cordial atmosphere of the meeting was not seriously affected by some fairly jovial sabre-rattling from Dr Paisley. Although at a couple of points both Unionist leaders indicated that the result of the Upper Bann by-election demonstrated the unyielding nature of Unionist resistance to the Agreement, they both (particularly Mr Molyneaux) in fact adopted a distinctly more flexible negotiating stance than was evident at previous meetings.

Signed:

S J LEACH PRIVATE SECRETARY 23 MAY 1990