

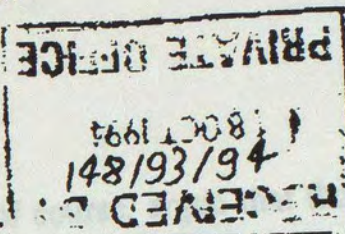
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10 DOWNING STREET
LONDON SW1A 2AA



From the Private Secretary

PS Sgts LTB
PS Sir J Wheeler LTB
PS M Ancram LTB
PS AUS LTB
B Mr Bell
Mr Thomas
Mr Leger

17 October 1994

Mr Williams
Mr Bell
Mr Steele
Mr Stephens
Mr Perry
Mr Macdonald

Mr Bamber
Mrs Brown
Mr Barton
Mr Cairns
998/10

in hand
for X.

John Martin, 18.10.94 Mr Watkins

To consider X on page 3 and feed in with comments on
PRIME MINISTER'S MEETING WITH THE RIGHT HONOURABLE the PM's
JAMES MOLYNEAUX MP: 17 OCTOBER 1994 speech

The Prime Minister and Mr Michael Ancram MP saw James Molyneaux MP for about an hour on the evening of 17 October.

On "permanence", Molyneaux confirmed the position which he took in his interview on 15 October with Jim Dougal of the BBC. He agreed that the time had come to move forward. He understood why the Prime Minister had not wished to do so before the end of the Conservative Party Conference. Thereafter, he imagined that the Prime Minister would wish to leave a brief space of about a week: but he would have a free hand from next week onwards.

The other main points discussed were as follows:

- **Surrender of Weapons:** Molyneaux wondered whether we could put the onus on the Taoiseach and the Republic of Ireland for dealing with the IRA's weapons.
- **PIRA targeting:** Molyneaux had heard from sensitive sources that PIRA was still targeting people. He understood that some sensitive information had also been leaked to a Guardian journalist, who had not so far printed it.
- **Loyalists:** Molyneaux suggested that we should conduct "exploratory talks" with representatives of the Loyalist Paramilitaries, and then arrange for them to hold some sort of bilateral political discussions with Michael Ancram. He felt that the US Government's decision to waive visa restrictions on a group of Loyalist Paramilitaries had made it easier for

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HMG to have contact with them. (He did not, of course, argue that they could become full participants in the talks process.)

Border Crossings: Molyneaux passed on a suggestion from Ken Maginnis that we should not hasten unduly to repair the border roads, where crossings were reopened. His argumentation was not entirely clear to me. He referred to the distinction between authorised and unauthorised crossing points. He also seemed to be suggesting that repairing roads was not the highest priority for expenditure. I assume he had some hidden agenda.

Reviving the "Jim Prior" Assembly: Molyneaux tried this idea out on me before his discussion with the Prime Minister, and then tried it again. He said that Jim Prior's "advisory" assembly had only been prorogued. We could therefore revive it without new legislation as an interim step to begin restoring local democracy. On each occasion, we countered that there would be no point in doing this if the SDLP declined to participate; and we knew that the SDLP would decline, unless the assembly was part of a wider deal. Molyneaux acknowledged that he had no answer to this, and did not press his point.

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The Economy: The Prime Minister said that we hoped to convene a large investment conference in Belfast, though this would take some time to prepare. Molyneaux had an idea of his own. This was that we should convene a meeting of the 26 Mayors (many of whom were SDLP) and their 26 Clerks (politically neutral) to advise the Government on how European Union funds should be spent, and in particular how to address the problem of redeploying the 20-25,000 people working in the "security industry". This would be purely a consultation exercise. We would not have to tamper the Local Government Act. It might help us to prevent European and American funds falling into the wrong hands. The Prime Minister and Michael Ancram said that this was an interesting idea, at first blush. We would certainly consider it.

Joint Framework Document: The Prime Minister mentioned the idea of publishing the Joint Framework Document, and also of publishing in parallel our proposals for strand one. The proposals were bound to leak as soon as we had given them to the political parties. Publication would help to allay anxieties. Molyneaux reiterated his old idea (covered also in the Dougal interview) of convening the party leaders to receive the document, and then asking them to comment on it after a short period of study. He said that his party remained edgy about the framework

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document, especially as a result of statements on North/South structures by the Taoiseach. If it contained too many of the Taoiseach's ideas, they feared that it would be the beginning of the slippery slope to joint authority. The Prime Minister said that there would be no joint authority in the JFD. By publishing the document, we would show that we were playing straight. He and Michael Ancram assured Molyneaux that we would also wish to seek his views privately before the document was finalised.

Follow-up

* I would be grateful for your early comments on the idea of consulting the Mayors and Clerks. What would be the downside? If there are no substantial disadvantages, the Prime Minister might wish to add this point to his IOD speech. For example, he could indicate that we were going to carry out a consultation before the investment conference. The consultation might conceivably take place in two or three stages, one of which could be a collective meeting here at Number 10 with the Prime Minister. (Before committing the Prime Minister to such a meeting, we would need to be assured both that there would be a decent turn out across the parties; and that there was sufficient substance in the discussion.)

I am copying this letter to Dickie Stagg (Foreign and Commonwealth Office) and Melanie Leech (Cabinet Office).

Yours ever,
Roderic

RODERIC LYNE

Martin Howard, Esq.
Northern Ireland Office

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