

E.R.

Mr Angel M



cc PS/PUS (B&L) M
PS/Sir Ewart Bell ✓
Mr Brennan M
Mr Bourn
Mr Abbott M
Mr Reeve

1. At the Political Development's meeting yesterday a number of small suggestions were made about your main minute to the Secretary of State on his "state of the nation" report. However I think there was some doubt as to whether a report needed to go to the Prime Minister at this juncture, although the requirement might reappear in the future.

2. I mentioned at the meeting my feeling that something for the Prime Minister ought to be a little sharper, and perhaps bring out the sort of issues with which she would be concerned. I thought I should take a dose of my own medicine and I attach a draft on these lines. It hopefully brings out

- (a) the threat from Sinn Fein, and the implications for our relations with the minority community;
- (b) the importance of American attitudes, both in the political and on the economic front;
- (c) the dangers in terms of increased violence and the cost of Northern Ireland government from any departure from cross-community support.

3. Paragraph 8(c) carries with it an implication that "integration" will not work in the last resort. It is perhaps the option which is most likely to be challenged.

4. I hope that this offering may be helpful to you.

AJ

A J MERIFIELD
20 April 1983

CONFIDENTIAL

DRAFT REPORT

1. I promised you a note on political developments in Northern Ireland.

THE ASSEMBLY

2. The Assembly has survived a number of wrecking attempts better than we might have expected, and there is now much enthusiasm and commitment for its work, especially in its all party Committees. Its activities have stimulated negotiation between the DUP, Official Unionists (UUP) and Alliance, and brought some new faces to the political scene. But the SDLP remain outside and will continue to do so until the Dublin "Forum" has reported.

3. Firm challenges to the present position are likely to be muted until the Election, but I believe they will develop after the Election or (if this is delayed) around the Autumn. They will come initially from the UUP seeking devolution and majority rule, which they regard as the proper recognition of the majority position. At a later stage the DUP will press for devolution similarly, on the grounds that their responsible approach to Stage 1 merits more self-government for the Province.

4. Such pressures go to the heart of the 1982 Act in which Parliament expressly provided for devolution to be contingent upon widespread acceptance across the community. This presupposes participation by representatives of the majority of the Catholic population, but until the Dublin Forum reports (around the turn of the year) we cannot expect any change to the SDLP's abstentionist position. Nor could we expect the non sectarian Alliance party to support a UUP or DUP bid for devolution unless they judged the SDLP to have rejected a sound sharing-of-power offer.

THE MINORITY POSITION AND THE DUBLIN FORUM

5. Sinn Fein are supplementing their terrorist campaign by the efficient development of local party organisations and constituency politics. Though this move into politics will stretch the Sinn Fein leadership, and may provide tension between its military and political wings, there is reason to believe that the party will increase its vote in the General Election and should win 2 Parliamentary seats. We must combat this potentially destabilising influence, and for the moment this involves trying to keep the SDLP, and the Church (becoming increasingly outspoken against terrorism), on side.

The SDLP are suffering from their negative attitude to the Assembly and their inability to create a sharp constituency presence. Their electoral position now depends on the continuing work of the Dublin Forum. At best this could illuminate the long term prospect of creating an Ireland which Protestants would wish to join, and thus dispell the myth that Irish unity by consent is an easy or immediate solution. At worst the Forum could break up in disorder because the Republic's parties shy away from reality.

THE IRISH POSITION

7. There is no sign that Dr Fitzgerald wishes to turn from his Sunningdale position that aspirations of Irish unity are dependent upon the consent of the NI majority. But it is not clear whether this will be supported in the Forum. What is evident now is the desire of the Irish Government to support the SDLP and thus resist Sinn Fein; and its expectation, shared significantly by the US Administration, that there must be progress in Anglo-Irish relations and a more tangible recognition of the minority's position in Northern Ireland Government. A balanced report from the Forum could lead to a less vociferous claim for Irish unity now - but there is also the danger of a breakdown, covered by the playing of the "Green card".

THE FUTURE

8. Attitudes, and the timing of demands for change, cannot readily be forecast. For the SDLP and the Irish Government the report of the Forum (expected at the end of the year) is critical. For the Unionist parties there could be growing discontent with Stage 1 from the late summer onwards. To meet these factors I believe we need to keep all options open: these would include

- (a) demonstration of our willingness to consider a devolution package within the terms of the 1982 Act. Such a package would best be based on suggestions by the parties themselves, including SDLP, but it might take the form of a Government proposal offered over the heads of the party leaderships to the elected Members as a whole. This would provide the strongest base for peaceful development within the Province and command the broadest international support. But at present the parties have offered no solutions within the 1982 Act;
- (b) examination of the consequences, and form, of direct rule should the Assembly collapse. In such circumstances direct rule would have to carry a new degree of permanence. Unless we were to face fierce attacks from the American and Irish

Governments, a hostile minority in the Province, and a scaling up of terrorist violence, it would have to go hand in hand with firm guarantees on human rights and close relationships with Dublin. But in the circumstances this latter might be impossible to achieve.

- (c) reminders to the Protestants that simple majority rule in Northern Ireland carries grave risk of antagonising opinion in the USA (whose investment we need), and perhaps in the EEC, and of escalating violence at home. It is not unlikely that the financial demands on GB for NI economic and security support would increase, and I believe Parliament would not readily accede to the political and other consequences of majority rule options.

9. As always the interplay of party activity remains unpredictable and security incidents could distort our forecasts. But I believe that events will call for a major review of our political proposals for Northern Ireland towards the end of this year.