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10 DOWNING STREET

From the Private Secretary

16 May 1983

dear John,

NORTHERN IRELAND

Your Secretary of State called on the Prime Minister this morning for a discussion about prospects for the future in Northern Ireland.

Mr. Prior said that he had two particular worries. The first was that Northern Ireland was a constant drain on the UK economy. The second was the growth of support for Provisional Sinn Fein. With regard to the latter point, he did not accept that all those who had voted for Provisional Sinn Fein candidates were necessarily in favour of violence. Nevertheless, it was a fact that the Catholic Church in Ireland had made plain its view that a vote for the Sinn Fein was a vote for violence and despite this the support for Sinn Fein had risen. The number of votes they had obtained was not as high as in 1955 but on this occasion there was a much closer association between Sinn Fein and violence.

The combination of these factors caused us international difficulties. Countries like the United States, Canada and France did not understand the Northern Ireland problem but tended to feel that we were not doing all we could to solve it. Then within the United Kingdom many people wondered why we should remain involved.

It was therefore desirable, now that the Government had been re-elected for five years, to consider what could be done in this period. In Dublin there was a Government which was about as stable as any we were likely to get. In Northern Ireland, following the election results, the Official Unionist Party, who had done well, would probably begin to argue that they must now be given real powers and that the Assembly in its present form was inadequate. The Democratic Unionist Party, who had done badly in the elections, would become more vociferous in their complaints about a lack of security. Mr. Paisley had been relatively quiet in recent months but this would change now. Unless some progress could be made with the Assembly in the next 6 to 9 months, there was a danger that it would break up.

All this suggested that the British Government should put pressure on the Irish Government to encourage the SDLP to take up seats in the Assembly. The Irish Government were deeply worried about the growth of Sinn Fein. Indeed, they were paranoic about it to the extent of having suggested to Mr. Prior that Britain was

giving more help to Provisional Sinn Fein than the SDLP over, for example, housing facilities.

If the SDLP entered the Assembly, it would then be possible to devolve five departments, one each to the SDLP, the Alliance and the Democratic Unionists and two to the Official Unionists. The Official Unionists would probably find it hard to refuse this carrot. On the other hand, we should be able to say that this was not power-sharing because we retained responsibility for law and order and finance. Mr. Paisley would be opposed to devolution of this kind but his power-base was weaker than before the election. The SDLP would probably be difficult about the proposal but he thought it would be worth talking to John Hume again - though he doubted whether the latter would move unless he was pressurised by Dublin.

It was also necessary to envisage setting up the Anglo/ Irish Parliamentary Body which had been referred to earlier. Dublin always said that there had to be an Anglo/Irish dimension.

The Prime Minister commented that to move towards setting up an Anglo/Irish Parliamentary Body would be the cause of considerable difficulty. This issue always sparked off anger in Official Unionist ranks. We had to remember the implications for Scotland. We had always said that the Parliamentary Body was a matter for the Northern Ireland Assembly, the British and Irish Parliaments. Mr. Prior said that he understood these difficulties but it was necessary to find something with an Irish flavour. We had to put some pressure on the Unionists or five years would pass by without progress. We could not ignore the fact that about 40 per cent of the vote in Northern Ireland in recent elections had been captured by Sinn Fein and SDLP. And the proportion was growing.

The Prime Minister asked which departments Mr. Prior had it in mind to devolve. Mr. Prior said that he was thinking in terms of agriculture, commerce, social services, environment and education. It might be necessary to split housing away from the rest of the environment department.

The Prime Minister asked whether it was Mr. Prior's basic concern that because the supporters of violence were going to win, we should organise a tactical withdrawal. Mr. Prior said that this was not his view. He was not suggesting for one moment that we should withdraw troops from Northern Ireland. This would be utterly wrong. He was absolutely convinced that withdrawal would mean civil war. His main point was that he believed it would be a mistake to do nothing during the next five years.

The Prime Minister expressed doubt as to whehter we could solve the Northern Ireland problem. This must be for the people of Northern Ireland to solve though we could perhaps act as a catalyst. Agreeing, Mr. Prior said that we could also provide a framework within which the people of Northern Ireland could try to solve their problems. But the key was to achieve relations with Dublin which were sufficiently good for Dublin to be persuaded to put pressure on the SDLP.

It was agreed to reflect on these ideas and that the Prime Minister and Mr. Prior would have another discussion, perhaps accommpanied by some other Ministerial colleagues.

Mr. Prior also kindly undertook to suggest some reading for the Prime Minister on the problems of Northern Ireland. I think it would be helpful if you could let us have any suggestions well before the end of July so that, if she has time during August, the Prime Minister can do some reading.

As this was an informal and preliminary discussison, I do not propose to copy this record anywhere else. I should be grateful if you could ensure that this letter is retained within the Private Office.

ASC

John Lyon Esq Northern Ireland Office.