

CONFIDENTIAL AND PERSONAL

Pl- destroy  
enclosure  
CO. 2/x



Foreign and Commonwealth Office

London SW1A 2AH

1 October 1984

Dear Charles,

Northern Ireland

Thank you for your letter of 25 September enclosing Mr Prior's valedictory note on this subject. The Foreign Secretary has read it with considerable interest. I now return the copy you sent me.

Yours ever,

Colin Budd

(C R Budd)  
Private Secretary

C D Powell Esq  
10 Downing Street

CONFIDENTIAL AND PERSONAL

CONFIDENTIAL AND PERSONAL

Secretary of State



10 DOWNING STREET

No copies made.

CRBudd

26/9

From the Private Secretary

25 September 1984

Dear Colin,

NORTHERN IRELAND

Mr. Prior recently sent the Prime Minister a valedictory note on Northern Ireland. The Prime Minister asked him whether she could circulate it to a few close colleagues on a strictly personal basis. He has agreed to this. I enclose a copy.

The Prime Minister expressly does not wish it to be given a wide distribution but treated for the personal information of Ministers concerned and of Sir Robert Armstrong only.

I am sending copies of this letter and enclosure to Janet Lewis-Jones (Lord President's Office), Hugh Taylor (Home Office) and Richard Hatfield (Cabinet Office).

Yours sincerely,  
Charles Powell

CHARLES POWELL

Colin Budd, Esq.,  
Foreign and Commonwealth Office.

CONFIDENTIAL AND PERSONAL

Prime Minister

1. Having relinquished my post in Northern Ireland I thought that you and Douglas Hurd might find it helpful if I were to set out the current position as I see it, and to indicate where progress might be made. While an unsuccessful and over-ambitious attempt to move things forward could destroy the greater stability which has developed in the Province in recent years, I am convinced that things cannot be left as they are. On a number of fronts matters are moving in our favour but the long-term prognosis is not good. The following factors are of relevance:

- i) The Government in the Republic: the present coalition Government wishes to make progress in Northern Ireland on a basis which falls short of a united or federal Ireland. Their present bidding is far too high but an agreement may prove possible both because <sup>of</sup> Dr. FitzGerald's personal commitment to exorcising the constitutional issue and because of their fear of the impact of Sinn Fein in the South. The return to power of Mr. Haughey could only be inimical to constructive developments in Northern Ireland and could well handicap co-operation on security matters.
- ii) The security situation: the number of deaths so far this year is a little higher than for the same period in 1983. The level of violence has, in general, been ratched down to its lowest level for 15 years - although the situation in some border areas remains tense. The line can be held, probably indefinitely, but I must caution you that in the absence of measures to reduce the alienation from authority of many in the nationalist community the potential for deterioration, and considerably increased casualties in the security forces, is much greater than for an improvement. I should also say that I do not believe that a political breakthrough could, of itself, end the violence. In the short-term it could make it worse. Although it would reduce violence thereafter, the para-militaries are now so deeply involved with organised crime that it is difficult to see a complete and early return to normality.

- iii) the economy: there has been a less strong recovery than in the rest of the United Kingdom. Despite good performances by Harland and Wolff and Shorts it amounts to little more than a deceleration in the rate of economic decline. Given the large number of young people coming onto the labour market in Northern Ireland the probability is that unemployment will be running at 25% by the next General Election. Unless a political breakthrough can be made facilitating a new push to attract inward investment I can foresee practically irresistible pressures building up for an increase in the current UK Treasury subvention of £1.3 billion.
- iv) Sinn Fein: Sinn Fein could yet become the leading Party of the minority community. The SDLP have held their support fairly solid, outside West Belfast, although this has been partially at the expense of the Alliance Party. Sinn Fein's support has been drawn chiefly from hard-line Republicans who previously abstained, young voters and from those who have benefitted from their involvement in community politics. However, should nothing come of the process started by the Forum Report, and if the perception grows in the nationalist community that the Government is more likely to be moved by Sinn Fein than by the relative reason of the SDLP, what one Unionist described as 'the ultimate nightmare' may come about. Were Sinn Fein able to claim to be the authentic voice of the minority, co-operation with the Republic would become more difficult, hopes of devolution on the basis of cross-community involvement would vanish, and our dealings with local government in certain areas would become extremely problematic.

## 2. The Political Situation

The political situation in Northern Ireland is more fluid than at any time since the 1975 Constitutional Convention. The New Ireland Forum Report has brought constitutional nationalists back into political dialogue and the Northern Ireland Assembly has given many Unionists a taste for bringing back a degree of political power to local politicians. There is an expectation of movement, and even a

willingness in some quarters to acquiesce in unpalatable measures so long as the rewards for the two communities are balanced. The leash on which Unionist politicians claim they are kept by their supporters has, perhaps, been loosened.

The Assembly has proved more durable than I feared or most commentators predicted. It acts as a useful check on direct rule, and as a channel for Unionist protest which might otherwise spill onto the streets. I believe it to be in a healthier state now than at any time since it was established. The Official Unionists will not be easily able to boycott it again given the public's reaction to their boycott after the Darkley murders.

A prime objective in looking for a way forward should, I am convinced, be to give a greater degree of responsibility for their own affairs to local politicians. The fact that none of them has a stake in the government of the Province encourages: irresponsibility; pandering to the prejudices of the respective communities; <sup>and</sup> a tendency to blame everything on the British Government. It is too easy for them. I see some force in the argument that because we hold the ring and allow the local politicians to carry on with their old habits, what centre-ground ever existed is being steadily eroded.

I believe we should seek to move on three fronts in parallel: establishing a new relationship with the REpublic of Ireland primarily on a London to Dublin basis; continuing to search for an internal system of government which will command cross-community acquiescence; and taking action to indicate our recognition of the legitimacy of the 'Irish identity'. The trick must be not to be perceived to be rewarding one community at the expense of the other. If progress is likely on the Anglo/Irish front this must be balanced by a genuine attempt to bring about some devolution of power in Northern Ireland. We cannot afford to swap the alienation of the minority community for the alienation of the majority. A middle course has to be found. While it is true that the minority community suffered extensively and quite unacceptably in the period

up to 1969 there may be some truth in the theory that a major factor in the collapse of the Sunningdale arrangements was that the nationalists had been given too much too fast for the Unionists to stomach. This in turn increased the expectations and appetite of the SDLP to an unrealistic level.

### 3. The Parties

The Official Unionists are split in three directions between the integrationists; the devolutionists; and a small but important group who are integrationist by temperament but who also see the need for reaching an internal accommodation with constitutional nationalists. The philosophy of this latter group is summed up in the document 'The Way Forward'. This document though thin on detail, and intended chiefly as a Unionist counter-balance to the Forum Report was notable for taking a far more generous approach to the 'Irishness' of the minority than any previous Unionist document. Little can be expected of Jim Molyneaux who seems incapable of providing leadership and retains his position chiefly through standing pat and playing off his Party's factions.

'The Way Forward' advocates devolving essentially local government services to the Assembly in a system of 'administrative devolution', under which committee Chairmanships would be shared between the parties. The system would, however, be basically one of majority rule, although it would then be balanced, either by a Bill of Rights guaranteeing the rights of the minority, or by use of weighted majorities for controversial issues. Two major drawbacks are apparent with this: first it would not be sufficiently attractive to tempt the SDLP into participation even if balanced by a significant Anglo-Irish dimension, and the choice of local government powers for devolution is a negation of the document's avowed philosophy of seeking agreement between the parties on the easiest things first. Housing and education are a great deal more controversial than issues like agriculture or industrial development.

The Democratic Unionists remain highly volatile but they currently have a strong commitment to making a success of the Assembly. Dr. Paisley is in a strong position in the aftermath of the European

elections and I am inclined to believe that, within limits, he is genuinely interested in trying to find an accommodation. The DUP reject conventional power-sharing and any Irish dimension is anathema to them. However, Dr. Paisley, who is advocating a system of legislative devolution, using majority rule, is prepared to go further than before in allowing for a system of checks and balances for the protection of the minority. These he would see as being either in the form of appeals to the Secretary of State or to a review body made up equally of unionists and nationalists. Dr. Paisley is also quite pragmatic about the advantages to be gained for Northern Ireland from economic co-operation with the Republic, in a sphere like agriculture, if sovereignty is not thereby threatened.

The Alliance Party continues to adhere to the ideal of power-sharing but have recently produced a new blueprint which may be sufficiently different from the 1974 arrangement to work. Their ideas include: devolved government based on 'partnership' in which committee chairmen elected from the Assembly by proportional representation would act as Ministers without an Executive or Prime Minister; a right of appeal to the Secretary of State by 25% of Assembly members: the enactment of a Bill of Rights; and some expression of the Irish identity.

The SDLP still profess not to be interested in any internal accommodation and John Hume states that London and Dublin have to reach agreement over the way forward over the heads of the politicians in Northern Ireland. The Party is deeply divided and while this hard line view may accurately represent the bottom line of the wing led by Seamus Mallon, there are others who believe intensely in participation. Thus I believe that the SDLP could/ yet be tempted into an internal arrangement, provided that there had been agreement on new Anglo-Irish arrangements, some modifications in security policy, measures to recognise the Irish identity and if the new framework guaranteed them a share in power. This may yet prove too long a shopping list but would represent a considerable scaling down of many of the unrealistic goals (such as joint authority) which they have convinced themselves are possible.

#### 4. Internal Arrangements

After my final round of talks with Party Leaders I cannot claim to be confident about the chances of identifying sufficient common ground to secure new arrangements. But given determination on our part I believe a package might be constructed either on the basis of the 1982 Act through use of the 'partial devolution' option or by using a variant of the proposals made by the Alliance Party. In either case we could contemplate devolving the Departments of Health and Social Services, Economic Development, Environment (excluding housing) and, perhaps, Agriculture. The essential elements of any package would have to be: no Executive or Prime Minister; a sharing of responsibility between the parties; and the areas of traditional sectarian dispute should be reserved to Westminster.

Agreement on any such development would be fragile and would need to be buttressed in two ways. First a method would have to be devised whereby boycotts were not rewarded by allowing any one Party to destroy the whole edifice of agreement. Second a mechanism would need to be instituted providing for a right of appeal from minorities in the Assembly to either a panel of Ombudsmen or to the Secretary of State. This might, at least in the beginning, help ~~shelve~~ those decisions upon which the parties would find it impossible to agree.

#### 5. Anglo-Irish Relations

It may yet transpire that the narrow ground of Northern Ireland will not be broad enough to allow an accommodation between the parties. In such a situation designing a new Anglo-Irish relationship becomes still more important. It is certainly true that no internal arrangement involving constitutional nationalists will be possible without progress on this front. Such progress is also central to improving security and judicial co-operation with the Republic and to reducing the level of alienation among the minority community. I should perhaps enter a caveat on the latter point. The type of measures which we feel able to contemplate, which hopefully fall short of causing a Unionist explosion, should reduce the level of alienation but will not, of themselves, quickly



reconcile many working class Republicans to their situation.

We have made it clear to the Dublin Government that as consent would not be forthcoming from the majority of people in Northern Ireland there can be no question of a united or federal Ireland, or of us agreeing to a system of joint authority (to the extent that this undermined British sovereignty). Arrangements involving a reciprocal 'pooling' of sovereignty might be contemplated but in no other circumstances could sovereignty be significantly affected. Nevertheless there are clearly considerable advantages to be had from a bold departure in Anglo-Irish relations as long as it is not seen by the Unionists to be designed to lead ineluctably to a united Ireland.

We have still to work out how to reconcile any general right of consultation which we might grant to the Republic, with the existence of a devolved government in Northern Ireland. It may be that the right of consultation could be restricted to 'reserved' matters plus those 'transferred' subjects not devolved.

We should also bear in mind that the more tangible the benefits which could accrue to Northern Ireland from new arrangements with the Republic, for example over security or agriculture, the less easy it will be for Unionists to unite against them. If sovereignty is perceived to have been surrendered this may not hold good, but anything which falls short of that may be able to be imposed without an uncontrollable Unionist backlash.

The bargaining counter of an Anglo-Irish Parliamentary Tier is one which should be kept in play. If such a body existed, even as a talking shop, it would have a nationalist majority and be liable to cause us embarrassment. It may on the other hand cause less difficulties for us than several of the other ideas which have been put forward. If it has only consultative status and is drawn solely from the sovereign Parliaments although the Unionists would not participate in it they would probably not take to the streets to oppose it. Conversely, as Dublin is not now showing enthusiasm for such a Body, we may be able to portray its non-establishment as a concession to Unionist sensibilities-given that they have made their opposition to the concept very plain.

## 6. The Irish Identity

The nationalist community in Northern Ireland has lived in a State for some sixty years in which their identity and cultural heritage have been treated as inferior. For the 50 years of the Stormont Parliament the monolithic Unionist Party governed Northern Ireland. For only five months - in 1974 - have even constitutional nationalists held a share in power.

The British Government has an honourable record of reducing discrimination against the minority through bodies like the Housing Executive, the Standing Advisory Commission on Human Rights (SACHR), the Ombudsman and the Fair Employment Agency (FEA). Nevertheless, it would be foolish to pretend that all discrimination has been eliminated. In the economic sphere this would have been especially difficult given the economic circumstances pertaining over the last 15 years.

On security matters the minority feel discriminated against. No doubt much of this feeling springs from the fact that many of them question the legitimacy of the State which the security forces represent. However, since the Protestant paramilitaries have been largely neutralised (for the moment) the great majority of the security forces efforts are, for obvious reasons, concentrated in Catholic areas; mistakes can be made and the law is occasionally enforced in an insensitive manner. All such slips are subsequently used by the extremely effective Republican propaganda machine.

On the political front, the very existence of Northern Ireland is regarded as a victory (oft-paraded) for the Unionists, and nationalists have no stake in power in the North. Added to this a limited number of practices and pieces of legislation still exist which amount to institutional discrimination.

In seeking a new way forward we must seek to convince the minority that while the wishes of the majority must be respected over the constitutional position of Northern Ireland, equally their identity and aspirations can be accommodated. Many of the measures which we might take here would be largely symbolic, but are nevertheless important in creating a new atmosphere. Thus, in security a number of the measures we could take in response to Sir George Baker's review of the Emergency Provisions Act, 1978, would be welcome in

the nationalist community. In the economic sphere our recent steering of Short's to open a subsidiary factory in West Belfast was of importance and we might think of obliging all the district councils to sign the Fair Employment Agency Declaration of Intent. In education there is more that could be done to give encouragement to the Irish language and culture. Finally, in the political sphere there are three obvious contenders for action: repeal of the Flags and Emblems Act which makes it illegal to fly the tricolour in circumstances liable to lead to a breach of the peace; allowing simultaneous membership of the Dail and the Northern Ireland Assembly; and standardising electoral law relating to registration - currently some 7,000 people, mainly Irish passport holders, are disenfranchised in local government elections by old Stormont legislation.

#### 7. Conclusion

As I have said to you before, if any substantial progress is to be made it will require your personal involvement. You, more than any other British politician, are trusted by the Unionists as being rock-solid on the question of Northern Ireland's position within the United Kingdom. If unpalatable things are to be imposed upon the majority it can only be done using your personal authority.

It is not possible for me to tell whether the Government of the Republic will ultimately be prepared to deliver an acceptable agreement. But if they will I think the gamble is worth taking. The Nationalists often say that British policy towards Ireland has always been one of doing too little too late, and I fear that they have history on their side. It will not be easy to reach agreement in the present situation, but if we do not try strenuously to reach a breakthrough now of two things we can be sure. First, the price of involving the Irish Government and accommodating the nationalist minority will rise; and second in years to come the extent to which a window of opportunity existed in 1984/85 will be exaggerated and we will find ourselves once more charged with dereliction of duty.

As far as I can see we are facing the best opportunity for

progress internally and with the Dublin Government for a decade. Although some of the Official Unionists see advantage for their Party in doing nothing and hoping that creeping integration will take place, others are concerned by the rate at which able young middle class Unionists are migrating to England and some remain convinced that their best guarantee against English perfidy is to take greater control of their own affairs. On the nationalist side the SDLP and the Dublin Government see their cause misused by Sinn Fein and control slipping from their hands. At the very least, there is a greater identity of interest in seeking to move from the present situation than at any previous moment in history. I add an additional thought, more by way of alerting you to a potential danger than to one which currently exists - that is that a Northern Ireland situation which is allowed to fester may become an electoral liability to us! At present Northern Irish affairs have a negligible impact on British politics. There is a mood abroad that no one can solve the situation in the Province. It is not, however, inconceivable that if the feeling were to gain ground that an opportunity to make progress had been missed through timidity that this could be used against us! Certainly a number of outrages in Britain similar to the Harrods bombing, close to an election, could hoist the issue up the agenda and a populist Labour Party might seek to take advantage of the issue. It is a gamble that could backfire on them but may be exactly the type of unstable element which we would be wise to avoid.

Having grappled with the problems for three years I remain convinced that Northern Ireland is different from other parts of the Kingdom. Englishmen, while they can know the situation, can very rarely understand it. Northern Ireland must remain part of the United Kingdom for as long as that is the wish of the majority of her people. But peace will only be possible if the nationalists are allowed a closer identification with their sponsors in Dublin - otherwise they will identify with more malign sponsors; if the Unionists can be persuaded to broaden their society to accommodate constitutional nationalists; and if the Northern Irish have to

shoulder greater responsibility for the affairs of the Province as a whole rather than solely for the affairs of one community or the other.

A handwritten signature in black ink, consisting of a stylized, cursive 'J' followed by a vertical line and a small loop at the top.

James Prior.

19th September 1984