8RW RESTRICTED 10 DOWNING STREET 7 February 1986 From the Principal Private Secretary Dead Jim, ORDER IN COUNCIL FOR LOCAL GOVERNMENT IN NORTHERN IRELAND I spoke on the telephone yesterday evening with Joan MacNaughton in the Lord President's Office and with yourself about the follow-up of that morning's discussion in Cabinet concerning the Order, due to be considered by the Privy Council next week. This would, among other things, permit your Secretary of State to put Commissioners into the local authorities in Northern Ireland with powers to set rates. Your Secretary of State had discussed the Order with the Lord President. Joan MacNaughton told me that while the Lord President did not relish the Order, he believed it to be an essential precaution in the present situation, and that the situation in the Province was too dangerous to do without it. The Lord President nevertheless hoped that the powers conferred by the Order need not be used. You told me that your Department believed that the situation in Northern Ireland could be distinguished from that of the mainland so that

making the Order would not provide an unhelpful precedent. Your Department would try to avoid use of the powers. You also said that Northern Ireland Ministers had given a broad, but unspecific, indication of what you have in mind in a Parliamentary Written Answer of 4 February (Col. 99).

In the light of this further information, the Prime Minister agrees that the Order should be considered next week by the Privy Council. But she would like your Department to inform the Department of the Environment, who clearly have an interest in this area of business, of your intentions.

I am sending a copy of this letter to Joan MacNaughton (Lord President's Office), Robin Young (Department of the Environment) and Michael Stark (Cabinet Office).

> Nijel Wiels (N. L. WICKS)

Jim Daniell, Esq., Northern Ireland Office.

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