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cc: ① Sir K Bloomfield - M
Mr Chesterton
Mr Elliott - M
Mr Kirk

PS/PUS (L & B) - M

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22 DEC 1987
MUFAX ROOM
STORMONT HOUSE ANNEX

POLITICAL DEVELOPMENT

As promised, I attach as Christmas reading a first draft of a paper we might put to the Secretary of State when he returns in January. The original idea was to prepare a paper which would take forward the discussion which the Secretary of State had on 30 November, when, appropriately, we discussed the issues rather than seeking to arrive at precise conclusions about the way ahead. Since then, however, we have had not only another round of talks about talks, but press briefing by Paisley and Molyneaux that they are preparing a paper to give to us on their proposals for an alternative to the Anglo-Irish Agreement. On the domestic front, we have been giving thought in the Political Development Group to possible ways ahead if the talks about talks fail to provide a vehicle for progress. As I think Sir Kenneth Bloomfield has separately reported to you, we gave quite a lot of thought at our last meeting to the idea of trying to introduce a greater degree of political stability and political activity in Northern Ireland by focussing on improvements in the medium term other than devolution.

2. Although Paisley and Molyneaux have briefed the press that the present phase of talks about talks is now virtually over, a policy paper for the Secretary of State clearly has to deal with the possibility that those talks will lead into some other form of dialogue. Any such development would mean that the present thrust of policy was still being continued, and would therefore put back the day when we have to consider an alternative thrust of policy. Nevertheless, I think it worthwhile taking ourselves through the steps of thinking out what our alternative approaches might be if, or when, the talks about talks process ceases to make progress.

3. The attached paper therefore starts with a few brief comments about how to carry forward the talks about talks. The paper then considers what we do if/when that process comes to an end - I suggest that the answer is that the first thing to do is to have a real go, on our own terms, at a policy designed to move to or towards devolution. That approach too may fail to make very much progress (though it is likely to be the end of 1988, or early 1989 before we really know that) and although it means looking a long way

Mr Spence 4/11
I have been mulling this over during the holiday. I would welcome your views on the draft. I would like to discuss (with your proposal note to Lord Selkirk) Political Development

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ahead, it is worth considering what we would then do. It is in that situation that we might need to turn to a policy of greater stability.

4. I am not sure that we want to get into a lengthy discussion with Ministers at this stage about what would be involved in a policy of "greater stability". But we have started to think about this in PDG, and some very early reflections about what might be included in such a policy are shown in the annex to the attached draft. I regard this as being the most vulnerable part of the whole paper, and I would very much prefer to avoid putting anything to Ministers until CPL have had a chance to address some of the issues they were asked to look at at the last meeting of the Political Development Group. CPL work might well lead to a significantly changed text for the annex.

5. Like PUS, copy addressees are seeing the attached draft for the first time, I have little doubt that there is considerable scope for improvement, and I would be grateful for comments - particularly from Mr Kirk since I claim (in paragraph 7) to be representing his views and because the ideas introduced in paragraph 10 and in the annex are surrogates for the ideas on which he is working.



I M BURRS

22 December 1987
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DRAFT

cc: PS/Mr Stanley (L&B) - B
PS/Di Mawhinney (L&B) - B
PS/PUS (L&B) - B
PS/Sir K Bloomfield - B
Mr Stephens - B
Mr Chesterton
Mr Elliott - B

PS/Secretary of State (L&B) - B

POLITICAL DEVELOPMENT

In your note of the Secretary of State's meeting on 30 November you suggested that it might be helpful to have a paper on which to base the discussion when it is resumed. Like the Secretary of State's discussion, this paper attempts to canvas ideas, rather than propose a single course of action.

Existing policy

2. The Government's formal policy is based on (i) resolute commitment to the Anglo-Irish Agreement and (ii) the desirability of introducing, or moving towards, a widely acceptable machinery of devolved Government.

3. When we re-examined our policy last summer we concluded that there was little prospect of achieving an acceptable form of devolved Government quickly, and that the most we could realistically hope for would be steps towards devolved Government. In the ~~immediate~~ aftermath of the General Election, the prospects of such progress seemed reasonable, and the vehicle we chose was talks about talks. These might yet offer a way forward - but how should we seek to develop it?

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4. More probably, the talks about talks will fail to offer a way forward; or will offer only the prospect of talking for the sake of being seen to be talking. Even if the talks about talks thus failed to offer a constructive way forward, it would be wrong to give up our attempts to move forward towards devolution. The prospects of reaching agreement on devolution may be rather slimmer now than they were in the summer, but the fact remains that the secretive process of talks about talks scarcely constitutes a fair test of the scope for movement to, or towards, devolution. We ought at least to make a comprehensive attempt, on our own terms, ~~to try~~ to make progress in this direction: only if that fails should we be contemplating even tacitly putting this objective on the long finger.

Developing talks about talks

5. The tactical handling of talks about talks is outside the scope of this paper. But Molyneaux and Paisley have put on public record their intention to put forward "outline proposals for an alternative to the Anglo-Irish Agreement" at the next meeting; and the press have reported our expectation that the unionists will move into discussion of devolution. Although Paisley and Molyneaux told the press that they were not prepared to join in talks with the SDLP, they expect the Secretary of State to talk to their party after the next "Talks about Talks" meeting. Our strategy in moving forward will need to include:

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- (i) widening unionist participation in the dialogue, beyond the two party leaders;
- (ii) bringing the unionists to talk about the substantive questions about how Northern Ireland is to be administered;
- (iii) turning SDLP willingness to talk into the reality of discussions;
- (iv) ensuring ultimately that bilateral talks between HMG and the parties develop to include bilateral or multi-lateral negotiations between the parties.

6. The more decisive the progress we make, the less we will need outside aids. But the more halting the progress, the more public opinion will need to be encouraged, and the more help will be required from Government if any consensus is to be reached between the parties. *What?* A policy document by Government might be the best way of producing the necessary explanation to the electorate, and encouragement to the politicians. But concessions by Government to individual parties will be unlikely to speed the process of agreement.

If the talks about talks do not provide a way forward

7. If the talks about talks fizzle out, or become sterile, how then do we set about making the further attempt at progress too, or towards, devolution that we decided upon last summer? [As the attached CPL paper shows] there are a number of approaches we could take, including:

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- (a) Call upon the parties to talk together, or with Government, about possible areas of agreement: this would be a not very different approach from that we take at present, but would be given a slightly higher profile by being embodied in a White Paper in the Spring, and/or in Ministerial speeches and perhaps messages direct to party leaders; but any progress made would be entirely at the discretion of the party leaders.
- (b) Generate pressure to produce agreement between the parties by:
- (i) Publishing our own ideas, by using the White Paper to sell hard the value of movement towards devolution (both in terms of escaping from some of the provisions of the Anglo-Irish Agreement, and in terms of local control of local matters); we might be able to encourage the progressive elements in both unionist parties, and the young Turks in the SDLP, to bring corresponding pressure on their leaders.
 - (ii) More adventurously, publishing our own firm proposals for devolution, and challenging the parties to pick them up and make them work, or, alternatively, to suggest an improvement (but we would need to have some confidence that the ideas would take, otherwise this would simply be a shot in the dark).

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(iii) Appealing direct to the electorate - but calling an election in which the Government did not field candidates, and in which the Government's view might be difficult to get across, could land us with an Assembly whose members could still not agree on the role that they should be discharging.

(c) Impose a form of devolved Government - a theatrical, but pointless, option unless we were fairly clear at the outset that each of the parties would work the 'imposed' arrangements: we could get to such a situation in the course of inter-party discussions, but we have certainly not got there yet.

8. Any of these approaches could be supported and explained by a White Paper (though we should keep an open mind about the possibility of some other, possibly less formal, document might be more effective in reaching people's hearts and mind). There is growing evidence that the main pre-occupations of most people in Northern Ireland are economic and security issues; these are also the issues on which the question of good Government really turns, and for both these reasons it seems right that the White Paper should throw most of its weight into explaining the Government's handling of economic and social issues, and the security situation. As in the draft White Paper prepared last summer, we could argue that the evident importance of local input into the handling of economic and security issues increased the importance of making progress on, or towards devolution. The White Paper could explain, as we have done to the Unionists, that agreement on devolution would have important implications for the work and scope of the Conference

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and the Secretariat. The drafting of this White Paper must await clarity as to the policy decisions that are to be set out in it; but if we intend the White paper to consist predominantly of sections of the economy and security, the Secretary of State may wish now to warn other NIO Ministers of this, so that developing economic policies and security policies can be looked at in the context of such a White Paper, rather than separately.

9. If a White Paper, perhaps in the terms of paragraph 7(b)(i) or 7(b)(ii) (these seem to be the central, and most realistic propositions) were published, it would be some time before we would know whether enough had been done to stimulate political progress, and how we might best add to that progress. Although we cannot rule out the possibility of high pressure discussions leading to urgent conclusions being reached in a matter of months, the probability is that each of the political parties in Northern Ireland will want to make progress slowly and cautiously; the marching season will interrupt the process, and both unionist parties and the SDLP will want to have some understanding of the outcome of the review under Article 11 of the Anglo-Irish Agreement before deciding what might be their final stance on other matters. Thus, although the picture will no doubt start to develop within a few weeks of publishing a White Paper, the picture will not be fully developed for many months, and perhaps not until 1989. It is likely to be only then that we will be able to consider whether events have shown that progress to or towards devolution is for the time being irretrievably blocked. But it is possible that we will come to that conclusion, and it may be worth thinking, not for the purpose of publication in the White Paper, and still less for the purpose of discussion with the parties, what sort of position we might then find ourselves moving to.

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If progress towards devolution seems blocked

10. Even if progress to devolutin had been shown publicly to be unattainable, there woud be great dismay in many quarters (including the SDLP and the Irish Government) if we then appeared to be putting devolution on the long finger (hence the importance of being seen to have had at least one more try before doing so). But if that effort fails, it will be arguable that continuing then (1989) to make further fresh efforts will only contribute to continuing instability, without making any effective progress on the underlying problems which the policy of devolution is intended to cure - namely, the increassingly poor calibre of local politicians, the unsatisfactory nature of Northern Ireland's legislative procedures, and the inadequate local input into most decision making by Government. An alternative policy would then be needed, though it is not easy to see how a new policy could, in the event, be sold with equal effectiveness to nationalists and unionists. But a possible approach (as an illustration on which much work is yet needed, not a plan) is in the Annex.

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- Accept that political agreement is not going to be reached in the foreseeable future on a new regional tier of Government in Northern Ireland; therefore, provide increased local political input by reshaping the existing regional structure (Education and Library Boards), Health and Social Services Boards, possibly Housing Executive, and conceivably some new entities). To provide for a larger number of local authority members;
- changes to the local Government structure, broadly on the lines of the (English) Widdecombe Report, with particular emphasis on proportionality in Local Authority committees, and in Local Authority nominations to other, regional, bodies;
- some minor addition to District Council powers might be made (but any major shift would require an, improbable, political understanding between the parties as to how they would discharge their responsibilities);
- changes in the procedure for handling legislation, in which Northern Ireland, in effect, come into line with Scotland (the Order in Council procedure would be dropped in most cases, and legislation would be by Bill).

These changes would all have an integrationist feel to them, and this would be quickly seen by those (in all parties) who support

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devolution, and would be heavily criticised by those (SDLP and the Irish Government) who would see integration as binding Northern Ireland even more firmly into the United Kingdom. For these reasons it might be important to retain the long-term objective of devolution; and to produce a better label than 'integration' [what?] but the appeal to unionists of these 'integrationist' ingredients might free us to take more decisive action than we have so far contemplated to meet the concerns of nationalists on economic and social.

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