E.R. 70

Mr. Seel - PS/505 (B) has had his attention drawn to the wissin of your name fine the cc list.

CC PS/Secretary of State (L&B) PS/Lord Gowrie (L&B) PS/Mr Butler (I&B) PS/Mr Woodfield (L&B) Mr Blelloch Mr Marshall Mr Wyatt Mr Buxton Mr Palmer Mr Moriarty Mr Burns Miss Daies Mr Blatherwick Mr Chesterton Mr Harrington Mr Gilliland

Mr Corbett

MEETING WITH MR JOHN HUME, STORMONT CASTLE, 18 SEPTEMBER 1981

Present:

Secretary of State

Lord Gowrie Mr Wyatt Mr Boys Smith Mr Hume

Mr Hume called at the invitation of the Secretary of State.

Political Affairs

Mr Hume said he had been depressed by the course of events over the past few months and by the Government's 'ndling of them. He believed the Government had engaged in confrontation, not in politics.

At an early stage he had seen the danger of the hunger strike to politics in Northern Ireland. He had told the Prime Minister before Sands had died that more was to be lost by allowing the dispute to continue than by settling it. He believed that judgement had been correct. The hunger strike had heightened tension and had increased support for the PIRA. The Government had been urged to settle the dispute by the Irish Government and by Church leaders who, like the SDLP, were totally opposed to terrorism. Politics in the Irish Republic had been destabilised by the hunger strike and the Taoiseach saw its solution as a priority. For his part, Mr Hume appreciated the difficulties the Government faced in moving forward given the provision it had hitherto adopted. He hoped that the hunger strike would collapse: people were now dying as much out of loyalty to their colleagues as anything else.

original hopes.

The SDLP had done well in May's local elections but were nevertheless not listened to. The hunger strike had shown people that elected representatives did not carry weight; this played into the hands of the PIRA. The party had decied not to fight the Fermanagh and South Tyrone by-election because it would inevitably have done badly and its position would have been weakened as a result. The contest had effectively been between the Prime Minister and the PIRA. Because it had not been weakened in the by-election, the SDLP was better placed to come forward again at the right moment, in contrast for example to Mr Fitt who had adopted the opposite tactic. The task now that <code>@motions</code> over the hunger strike were subsiding was to rebuild political processes, bearing in mind that the Anglo-Irish talks had not fulfilled the

In Mr Hume's view political progress would be made only if the present basis of direct rule was reconsidered, and in particular if the Government looked again at the guarantee. While the guarantee remained, the Protestants would not consider change. Moreover the guarantee carried with it an implicit invitation to act in a sectarian way; it had not brought peace, and had divided the people of Northern Ireland. Only if the guarantee was challenged and if the Government said that it wanted to bring people together to work out their own future would a political dialogue be re-established in the Province, as it had existed briefly under the Sunningdale Agreement. But he realised that electoral support could not at the present realistically be sought for power-sharing, which had lost much of its credibility and which the Unionists continued to oppose. Northern Ireland existed because of the force of political Protestantism. Reconciliation had been tried and failed and extremism of the kind represented by Dr Paisley had grown. Loyalists were trapped by the situation and turned to the loudest voice. Nothing the Government did in future should help to institutionalise Sectarianism.

Mr Hume said he saw the need to calm the fears of Protestants. In the long run if a new situation existed in Northern Ireland majority rule could be satisfactory, but that situation had not yet been reached. A call by Loyalists for an independent Northern Ireland would in some respects be welcome: it would show a new approach and from it might emerge the idea of a loose federation of Ireland, North and South. If things ever developed that far there would be a wholly new situation on security, which he would want to see left to the people of Ireland without British involvement. Mr Hume pointed out that the

PIRA were a small force in the South and were powerful in the North only because of the way in which events in 1969 and since had given them a sound basis, and had allowed young people to be sucked into the organisation.

Mr Hume noted the view of the Secretary of State and Lord Gowrie that majority fears about security would prevent things ever developing as far as he envisaged. He believed however that once Protestants realised they could not rely on the British Government to support them in perpetuity they would look to themselves and to others in the Province to find a solution.

Local Government

The Secretary of State asked Mr Hume if he thought that the devolution of more powers to local authorities would help revitalise political processes and would engender a greater sense of responsibility. Mr Hume said he would be ready to consider giving greater powers to the local authorities if he felt that Unionists had changed. But evidence was that they had not. Only on authorities with an SDLP majority were fair practices observed and offices and committee chairmanships shared. Nor did he think that lasting change could really be fostered by starting at the bottom with local government.

Prisons

Mr Hume believed that a continuing sense of bitterness could be fostered by visits to the Maze Prison and communication they provided between the protest and those outside. Some young visitors could be drawn into extremism by the experience of their visits.

Mr Hume believed that the opening of Maghaberry Prison provided an opportunity to make changes which could help bring the protest to a close. Maghaberry Prison could hold "high risk" prisoners from both communities for whom there could be a special regime involving among other things the wearing of their own clothes. In this way the prisoners in question would be differently managed without there having to be any formal acknowledgment that they were being accorded a special status. It would not matter that the regime was one they had asked for. Special category had not of itself created problems: the difficulty arose when it had been taken away.

The Economy and the European Community

Mr Hume said that Northern Ireland MEPs worked well together in the European Parliament, especially on economic matters on which there was broad political

agreement within the Province. It was valuable if different parties could be seen to act together on these matters and it would be useful too, if There existed a willingness within economic affairs received more publicity. the EC to help Northern Ireland. EC help on housing would be largely confined to Belfast, where the main problems lay. He was keen to see extra help more widely spread around the Province and wanted special industrial zones to be created to help industry and employment.

Conclusion

The Secretary of State made the following points during the course of the discussion:

- (1) He was anxious to place as much political responsibility as possible in the hands of the people of Northern Ireland. Lack of local responsibility was a stumbling block to If local authorities or others practiced discrimination, they must be faced with the consequences. But fear of discrimination could not be a reason for inaction. One of the keys to successful Parliamentary democracy lay in ensuring a proper role for the Opposition; a sense of local responsibility was essential if that challenge was to be faced.
- (2) He was keen to encourage cooperation between politicians on economic issues and believed that it was possible. He wanted the economy of Northern Ireland to be one of his highest priorities although he feared that it would continue to deteriorate. He would try to get more aid for the Province from the EC and was ready to tackle the problem of additionality. He wished personally to be involved in discussions on the economy.

In conclusion the Secretary of State said that he had taken note of Mr Hume's points and in particular of what he had said about the possibility of cooperation on economic matters. He was anxious not to see things in isolation and believed it was right for the Government to be seen to be active on a S.w. Boy Smill
CONFIDENTIAL 21.9.81 number of fronts at the same time.