From: JOHN HOLMES
Date: 24 January 1997

PRIME MINISTER

NORTHERN IRELAND

At the risk of swamping you with paper, I attach:

- the executive summary of the North Report on parades;
- the NIO paper for NI on Tuesday; (2f/1).
- a separate NIO paper setting out, as background for NI, the current position in the talks.

The paper to focus on is the NIO paper on parades. Although it is in the usual long-winded NIO style, it contains itself a good summary of the North Report recommendations and the difficulties these pose. As expected, the recommendation is that the Government should broadly accept the Report and set up the Independent Commission, but should go to consultation on whether the Commission should be given legal powers to take decisions about parades.

As we have discussed, the Report's conclusions will be extremely unwelcome to the Unionists. It proposes to balance the right to march by the need to consider the wider impact of a march on relations within the community. This will be fiercely contested - it moves away from the previous reliance on public order considerations only, which apply in the rest of the UK and indeed internationally. The Unionists will see it, rightly, as inevitably leading to more restrictions on parades. We may not like their parades, but this will be a major change.

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The key judgement of the Report, and of the NIO paper, is that the establishment of an Independent Commission will improve the situation over parades. This is arguable. If the Unionists decide to regard it as a further erosion of their rights, they may well be determined once again to draw a clear line in the sand, as they did (in their eyes) at Drumcree last year. We could even get more trouble in this year's marching season, rather than less.

But this may be unnecessarily pessimistic. And there is no doubt that an effort to tackle parades is desperately needed. In any case, the paper is right to say that, having set up the review following Drumcree, the Government cannot simply back away from its conclusions. The only real question therefore is whether the Government welcome the Report, but go out to consultation on all its conclusions, or follow the NIO line of accepting the main conclusions, while consulting on the Independent Commission's legal powers.

On balance, I think the NIO recommendation is just about the right one. But it is a fine judgement and it could be contested at NI.

The separate paper on the position in the talks is also long-winded, and covers ground which is familiar to you. I suggest you do no more than glance at it quickly.

Briefing for NI will be provided in the usual way overnight on Monday.

Meanwhile content for me to signal to NIO that you can live with their

recommendation?

JOHN HOLMES

den No - the will be difficult

floory present for paper to pe

case you missed it, I also attack
today's Daily Telegraph editorial.

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