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cc - JH/  
Bup

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Private Secretary to the Prime Minister  
10 Downing Street  
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13 December 1996

Dear John,

## CHARITON - STEERING BRIEF

This note provides a steering brief for the visit of CHARITON. Also attached are a detailed programme and accompanying briefing together with speaking points for the factory visit, the lunch and for general use.

As on previous visits, the fact of the visit itself will be broadly welcome on all sides of the community. Whatever the disagreements over Government policy, the Prime Minister's personal commitment to Northern Ireland, and to seeing if pragmatic solutions can be found to its problems, is widely recognised and admired.

But the Prime Minister will find there is more of a feeling of settled gloom and resigned despondency than at any other time during the last two years. There is widespread fear that Northern Ireland is sliding back into the years of violence and sectarian division from which - at least momentarily - there seemed a prospect of escape. There is widespread expectation of renewed IRA violence, coupled with the knowledge that the loyalist ceasefire is unlikely to hold in these circumstances. Meanwhile, the political talks process has generated little interest or credibility. At the same time, the Summer disturbances reversed a trend over the last ten years or so of apparently improving community relations and has seen a worrying re-emergence of sectarian divisions and tensions which has shocked many ordinary people - most obviously, in the continued picketing of a Catholic Church in Ballymena.

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Against this background, the objectives for the visit might be:

- to demonstrate the Prime Minister's practical concern and interest;
- to reassure both communities of the Government's fundamental commitment to securing political progress and its determination to resist violence;
- to continue to draw out the positive opportunities for Northern Ireland if people are prepared to work together.

Perhaps the main danger to avoid is any appearance of complacency or unrealistic optimism, which can leave the impression that the Government is out of touch with everyday realities and fears.

The rest of this note looks in more detail at some of the current key issues.

### Security

The double bombing at Thiepval Barracks on 7 October was the first IRA attack of its kind in Northern Ireland since the ceasefire was abandoned in February.

It now seems that some sort of "de facto" ceasefire was in place - ostensibly to allow the GAC to take place - since then until the end of November. But over the last couple of weeks, there has been a series of attempted and aborted attacks although none - whether through good police work, incompetence, bad luck or whatever - have come to fruition. A successful attack, shortly before or during CHARITON, is therefore a distinct possibility.

The loyalist ceasefire successfully survived the Thiepval attack. It must be unlikely, however, that it could survive a further major IRA attack in Northern Ireland and certainly not a sustained series of attacks. Perhaps the most powerful argument for the loyalists

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holding to their ceasefire even in such circumstances would be if the talks successfully completed the opening plenary session and started the three strands with the loyalists included - or if the loyalists thought there was a real prospect of an IRA ceasefire (since they have always thought that Sinn Fein's presence would strengthen their own influence).

In the background, punishment attacks on both sides of the community continue unabated.

#### Sectarian tensions

For several years community relations had seemed steadily to be improving. The marching season - thanks to efforts on all sides - seemed to be creating fewer flash points over the years. The ceasefires added to this generally positive outlook.

The ending of the IRA ceasefire took some of this optimistic gloss away; Drumcree removed the rest. Whatever the causes, the Summer confrontations left a legacy of:

- deep bitterness between the two communities;
- antagonism between each community and the RUC, with recent opinion polls showing a majority of people in Northern Ireland now calling for their reform;
- mistrust of the Government's commitment to an even-handed approach.

The bitterness remains close to the surface. In some areas there continues to be an orchestrated boycotting campaign of Protestant businesses, although it is hard to establish just how widespread it is or its precise effect. The marches issue continues to erupt - for some weeks an Orange march through the Catholic village of Dunloy in Co Antrim has been resisted, causing the RUC to prevent the march from going ahead. Loyalists have used this as an excuse

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to mount a picket - often running to several hundred people - of those attending Mass at a Catholic Church in the predominantly Protestant town of Ballymena. The last few weeks have seen verbal abuse and violent assaults directed at families attending Mass on Saturday evening, which has attracted widespread condemnation. Last weekend the UUP Mayor of Ballymena made the gesture of appearing at the Church, along with other Protestants, to express their dismay at the picket. But it continues.

All of this contributes to a mood of apparent despondency, with the community seeming to become more divided and polarised, rather than less. Much has been made of the contrast with President Clinton's visit - just over a year ago - which seemed to unite both communities and, in retrospect, marked the high point of optimism.

On the marching issue, the Independent Review established in the wake of Drumcree and led by Dr Peter North, continues its work. It is due to report at the end of January. But there are already worries that next year's marching season will see further damaging confrontations.

#### Political issues

The talks process commands little credibility among the general public. It is widely seen to have made little, if any, progress and now likely to be overshadowed by electioneering. This at least has the advantage that expectations are low.

In fact, the public assessment, although difficult to shake, is unfair. There has been progress, albeit slow: the parties are still talking six months after they started; the Independent Chairmen are now fully accepted in practice; there are agreed rules for procedure; and the parties have made some progress in addressing decommissioning. But the talks have undoubtedly been bedevilled by two factors:

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- the uncertainty over whether Sinn Fein will participate and the consequent distraction of the Irish Government and SDLP's energies into persuading them to do so;
- the intense rivalry, with a firm eye on the coming election, between the different unionist parties.

The talks are due to adjourn some time next week. There are early signs that the UUP and SDLP, together with the Alliance, may be close to an agreement on how to tackle decommissioning. If successful, this could enable the issue to be resolved before Christmas allowing the talks to adjourn on a positive note and to resume with substantive political discussions in the three strands in the New Year. But much can yet happen to prevent such an outcome - the UUP, in particular, will be nervous that any such agreement will provoke instant DUP condemnation.

There is much, however, which should give unionists cause for quiet satisfaction. The Prime Minister's statement of 28 November on conditions of entry for Sinn Fein and - just as important - his refusal to budge from it at the subsequent meeting with the Taoiseach has reassured the UUP, even though they still resent the attention focused on Sinn Fein. The Decommissioning Bill, which has now secured its Second Reading and will be in Committee Stage next week, also provides them with evidence of the Government's serious intent to tackle decommissioning. So too does the parallel Irish Bill, published earlier this week and due to receive its second reading in the Dail next week. Nevertheless, there also remains room for unionist fears and unease, on which the DUP and UKUP are prepared to play.

There is a good deal less satisfaction among nationalists. The Government continues to be more widely blamed among nationalists for the breakdown of the ceasefire than is Sinn Fein - by a long way. There is little illusion about the real nature of the IRA - nor, except for a small minority, any support for violence.

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But there remains a widespread perception among nationalists that some at least among the republican leadership are genuine in wanting to pursue their struggle by peaceful means in future. On this analysis, the intention behind the 1994 ceasefire was genuine and, if it had been possible to get Sinn Fein into negotiations quicker, then it could have proved a lasting ceasefire. John Hume spoke for most nationalists in his reaction of dismay to the Government's statement of 28 November - not so much because of its content but more because of its unilateral nature. Much nationalist comment, while giving the Prime Minister credit for having carried the peace process as far as he has, now assumes that the Parliamentary arithmetic has left him with no room for manoeuvre this side of an election.

Nevertheless, despite dismay at the Government's position, nationalists and the Irish Government have been placing pressure, in public and in private, on the IRA to call a ceasefire - even if only to put the Government back under pressure to admit Sinn Fein to the talks.

The possibility that the SDLP and UUP may be able to come to some agreement over decommissioning shows that, despite the impression created by Hume's preoccupation with his talks with Adams, the SDLP has treated the talks with seriousness and been fully engaged and ready to make progress without Sinn Fein. But if the UUP now back away from a deal on decommissioning, that would deal a serious blow to the SDLP's already diminishing confidence that unionists want to make any serious progress this side of an election.

#### The Economy

Against this otherwise rather gloomy picture, the economy remains a bright spot. Unemployment is at its lowest for 15 years and employment at record levels. 1995/96 was the best ever year for inward investment, securing almost 5,000 new jobs and this is continuing with further investments this year. Despite the ending of the ceasefire, tourism still remains above pre-ceasefire levels.

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But the economic consequences of renewed terrorism and sectarian violence were brought home by the Secretary of State's announcement last week of the public expenditure allocations as a result of this year's PES settlement. Against the background of an already tight public expenditure round across the UK, within Northern Ireland some £120 million had to be diverted from other programmes to law and order.

Points to make

Some general points to make on these broad issues are attached.

Programme

The recommended programme is attached which provides a balance of issues and locations. On this occasion we have not included an opportunity for any meetings with political parties on the basis that the Prime Minister has had a number of recent contacts with most of them.

Nor does the programme provide for the postponed reception for District Council Mayors. This could attract disappointment and criticism. We can reply that this good will pre-Christmas visit is not appropriate for the business to be done with the Mayors. But we may have to be ready to reconvene this either in Northern Ireland or in London in the New Year.

*Yours ever,*

*Ken*

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