CONFIDENTIAL

PS/S of S (L & B) - M W PS/Ministers (L & B) - M PS/PUS (L & B) - M PS/Sir Ewart Bell Mr Brennan - M Mr Merifield Miss Davies Mr Abbott - M Mr Boys-Smith - M. Mr Edis

Mr Blatherwick

E.R.

SECRETARY OF STATE'S MEETING WITH MR HUME

The Secretary of State had a private meeting with Mr Hume (SDLP) on 18 January. He reported to us the outcome of the meeting.

The Secretary of State said that while Mr Hume was not particularly positive in his attitude, he seemed generally fairly relaxed. He did not share the gloomy prognostication about prospects for his party at the general election. He thought the party would win at least 5 seats -Derry, South Down, Mid-Ulster, South Armagh and West Belfast if the Alliance Party were not to put forward a candidate. While he would have preferred Mr Devine to stand in Derry, in view of Mr Devine's performance in the Assembly election Mr Hume thought that he would have to stand.

Turning to constitutional issues, Mr Hume volunteered that it was a pity that the Secretary of State had not advanced with the proposal that he should appoint a selective executive. The Secretary of State pointed out that this was not too far removed from the Tom Arnold proposal for semi-devolution, although that would mean the SDLP joining the Assembly in order to be given executive responsibility for one Department. Mr Hume was unforthcoming about whether he thought his party would be prepared to do this, but he did not reject it out Mr Hume said that he had spoken to Dr Paisley at Strasbourg of hand. and Dr Paisley had urged him to join the Assembly. Dr Paisley had, however, shied away when Mr Hume had referred to possibilities for shared devolution. Mr Hume said he had received no approaches for . discussions from the other parties, but confirmed that he was prepared to see the Alliance Party. The Secretary of State made clear that he had no intention of attempting to persuade the SDLP to join the Assembly. Only the Unionists could do that. The Secretary of State refused Mr Hume's suggestion that we should wind up the Assembly. The

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Secretary of State said that he was reluctant to discuss any possibilities for devolution with Unionist parties until he had a better idea of the likely response of the SDLP.

Mr Hume reported that he had seen the Taoiseach on 17 January. He was anxious to secure the support of both parties in the Republic to his proposed Council for a new Ireland. Mr Hume was pessimistic about the prospects for improving Anglo-Irish relations under the present Government in the UK. The Secretary of State made clear that while he did not expect quick progress, he expected some to be made, including at the level of heads of Government. He told Mr Hume of the arrangements for the Foreign and Commonwealth Secretary and himself to meet Mr Barry in the next few weeks.

Mr Hume seemed not too worried about the forthcoming SDLP conference, although from what he said it seemed likely to be predictably negative.

Mr Hume raised a number of detailed points about which I am minuting you separately.

In conclusion, the Secretary of State invited Mr Hume to a further private meeting after the meeting with SDLP representatives on public expenditure on 7 February. He had told Mr Hume that he was very unclear about what the SDLP wanted in the way of detailed constitutional change. He hoped Mr Hume could be a little clearer about this at their next meeting.

Following the meeting, the Secretary of State said that he was not now minded to seek a meeting with Dr Paisley about possible devolution proposals, though he might have a general word with him if he met him in the House of Commons lobby.

JJ M LYON Private Secretary

19 January 1983

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Mr Blatherwick

SECRETARY OF STATE'S MEETING WITH MR HUME: DETAILED POINTS

During a general private discussion with Mr John Hume (SDLP) on 18 January the Secretary of State and Mr Hume made a number of detailed points which are recorded in this note.

The Secretary of State said that he had been considering the protection measures which might be necessary at the homes of Assemblymen. He was writing to the leaders of the participating parties to say that if individual Assembly members wanted advice they could seek it from the RUC Security Branch and that the NIO would pay for any home protection measures which the RUC considered necessary. He invited Mr Hume to let him know if there were any SDLP Assembly members who wanted such advice on the same basis. Mr Hume noted the point. He made clear that he himself did not seek RUC protection since he feared that this would make those who provided the protection a target for terrorists.

The Secretary of State told Mr Hume that we were pursuing the possibility of an all-party industrial mission to the USA through Professor Des Rea He hoped to let Mr Hume have further news when he next met him (which will be on 7 February).

The Secretary of State made clear that he was concerned about recent police shooting incidents and was well aware of the anxiety of those who compared their handling and investigation unfavourably with the handling of the shooting incident in London. Mr Hume took note of, but did not press the point. He said that there was a deeply negative feeling in the Catholic community. Given/composition of the IRA, there was no possibility of them forswearing violence in favour of political activity.

Mr Hume raised with the Secretary of State the following detailed points:

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- (i) He suggested that there should be a taxfree zone in the Derry area. The European Commission had recently approved the establishment of 2 tax-free zones in Belgium and he could see no reason why they would not approve one in Northern Ireland. The Secretary of State suggested that this might be mentioned to Commissioner Tugendhat during his forthcoming visit to Northern Ireland.
- (ii) Mr Hume asked why the Derry area plan had not been published. The Secretary of State undertook to find out.
- (iii) The recent census of the population in Derry was 10,000 less than the actual figure because so many people had refused to complete the census forms during the hunger strike. This had meant that the area was receiving £200,000 less from the Government than it was entitled to, with the result that the local authorities were faced with the prospect of increasing the rates by 56%. It was likely the local authority would refuse, and the Government would then be faced with the unpalatable task of establishing a commission in Derry. Mr Hume said that Mr Mitchell was considering this at present, but he hoped the Secretary of State would be prepared to intervene if necessary. The Secretary of State took note, but would be glad of a report on the position before his next meeting with Mr Hume.

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Mr Hume said that Catholics in his area (iv) were not being appointed to the full range of public bodies, in particular the boards of nationalised industries. There were a good many Catholics who would be suitable for these appointments. The Secretary of State invited Mr Hume to let him have a list of the names.

When we discussed this part of the meeting, you kindly agreed to coordinate notes on these points in preparation for the Secretary of State's next discussion with Mr Hume on 7 February. It would be helpful, however, if Mr O'Reilly (PS/Mr Mitchell) could arrange for Mr Mitchell to let the Secretary of State have a report on the Derry rates issue before then. It would also be helpful if Mr Burns could let me have a note on tax returns before the Secretary of State sees Commissioner Tugendhat on 28 January.

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J M LYON Private Secretary

19 January 1983