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

cc - PS/PUS (L&B) - M PS/Sir Ewart Bell Mr Brennan - M Mr Angel - M Mr Merifield Mr Carvill Mr Abbott - M Mr Boys Smith-M Mr Bickham - M

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## OFFICIAL UNIONIST BOYCOTT

I had lunch today with Frank Millar. We discussed the reasons for his party's decision to return to the Assembly.

2. Mr Millar stuck to the line adopted by the UUP leader earlier today. Mr Molyneaux had been impressed with the reaction to his party's document "The Way Forward". He believed that it was now possible to make progress on devolution. The boycott had demonstrated that there was no real support within the UUP for the so-called "devolutionist" approach and now that he had asserted his supremacy the time was right for the bold gesture - ie a return to Stormont. Speculation about Mr Prior's long-term future in Northern Ireland had contributed to the decision: Northern Ireland needed firm leadership and only Mr Molyneaux could fill the vacuum. The boycott had enabled the UUP to make real progress towards a political settlement.

3. Although Mr Millar denied it, I have no doubt that the Official Unionists have changed their strategy because of the impending European Elections and because of the continuing pressure within the party for a return to Stormont. The fact is that the UUP have not achieved either of the goals they set themselves when the boycott was announced. There has been no change in security policy nor any dramatic progress towards devolution: the Official Unionists could have had the Report Committee several months ago. What has happened is that the party has realised that its boycott stance is likely to be a handicap at the forthcoming elections (Mr Kilfedder's candidature will have played a part here) and that, in present circumstances, neither the DUP nor Alliance is likely to be too critical in public about the UUP volte face. Both the DUP and

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Allil :e have a vested interest in retaining the credibility of the Assembly.

4. I should also record Mr Millar's view that what was important about "The Way Forward" was not the substance of their proposals but the spirit of reconciliation in which it was written. He hoped that the document finally proved the extent to which only the "integrationist" wing of the party was capable of achieving progress and accommodating the nationalist point of view. According to Millar, the "devolutionists" have been soundly beaten and shown in their true colours.

S G HEWITT PAB 23 May 1984

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