Mr. Wilson opened the discussion with a reference to Northern Ireland's responsibility for its own internal affairs to which he added the rider that of course, the United Kingdom had residual responsibility under Section 75 of the Government of Ireland Act. There was now great concern at Westminster over many aspects of the Northern Ireland scene and this embraced not only Members of Parliament but also himself and his colleagues. The United Kingdom Government did not need to get involved in a constitutional crisis in order to exert its will on Northern Ireland but could have recourse to other possibilities, for example, the financial contributions made to Northern Ireland expenditure; these had been on a generous scale and those that were of a discretionary nature would clearly be at risk in any situation in which the United Kingdom Government needed to bring pressure to bear. There were a number of Northern Ireland matters that the United Kingdom Government found irksome, including the Londonderry situation and the Local Government franchise. The United Kingdom Government were responsible for overseas relationships and it was a matter of regret that when they entered into an international agreement on the observance of Human Rights a derogation had to be made in respect of the Special Powers Acts in Northern Ireland. This weakened the United Kingdom's standing abroad and gave other countries an excuse to criticise.

The Home Secretary said that if there was any thought of just stringing the United Kingdom Government along in the hope that the Conservatives would take over at the next election it had better be forgotten because an attitude of this kind would only have the effect of making the present Government speed up its demand for reforms.

At Westminster the pressures were increasing and Parliamentary agitation was clearly about to grow on a massive scale while in Northern Ireland the risk of some escalation in violence had to be faced. The two Governments therefore had a common interest in achieving reform fast. Certainly unless there were signs of an unmistakable movement towards reform the situation at Westminster would get a good deal worse. It must be now be clear to everyone, in view of
the Prime Minister's statements, that the Border was not at issue at all in this; the United Kingdom position in adhering to the pledges given in 1948 and 1949 had been made absolutely clear.

Many people in Northern Ireland seemed to think that new jobs constituted the prime objective of Government policy but so far as the United Kingdom administration was concerned there were other matters that also seemed important, e.g., the Local Government franchise. He did not see how the Prime Minister could possibly defend at Westminster such things as the company vote and the failure in Northern Ireland to grant the local government vote to all over 21 years of age. If Northern Ireland were to concede only the abolition of the multiple vote then it was natural that attention should focus on the question of adult suffrage.

As regards housing, while he thought Captain O'Neill's recent meeting with local authority interests had been helpful he did not see any escape from a points system if the method of allocation was to be accepted as fair. On this he hoped Northern Ireland would not try to ignore the force of outside opinion.

Turning to the question of appointing a Parliamentary Commissioner, he said he appreciated that Northern Ireland had given perfectly sensible reasons for not making such an appointment. Nevertheless, the fact that criticism persisted despite the ability of Northern Ireland Members of Parliament to raise grievances quickly and early at Stormont suggested that it would be to Northern Ireland's advantage to appoint a Commissioner; this seemed particularly necessary in the context of a situation where the Government was constituted permanently of the one Party.

Mr. Wilson pointed out that over the past four years he and his Government had taken the line that a great degree of liberalisation had been accomplished under Captain O'Neill despite the agitation of pressure groups. They had felt constrained not to press Captain O'Neill too hard because of the difficulties he faced but clearly they could not tolerate a situation in which the liberalising trend was being retarded rather than accelerated and if this were to arise they would feel compelled to propose a radical course involving the complete liquidation of all financial agreements with Northern Ireland. He did not want the Northern Ireland Government to be in any doubt about this since he might have to proclaim it publicly some day.

He went on to refer to Ulster representation at Westminster and how this had come about. He still thought it was wrong that a United Kingdom Government should be at risk through an adverse vote by the Ulster Members on an issue domestic to Great Britain, such as housing in Kensington, when Westminster was unable to discuss matters domestic to Northern Ireland, such as housing in Belfast or the ward boundaries in Londonderry.
Captain O'Neill said that when he became Prime Minister he had resolved to do everything he could to break down old animosities that had bedevilled Northern Ireland for generations. His public activities in various directions had been aimed at crossing the old dividing lines; this policy had succeeded to the extent that he was as much execrated by extreme Protestant groups as he was now welcomed in Roman Catholic areas. The police had advised him that his personal safety was at risk - not on this occasion from the usual I.R.A. sources but from the opposite extreme. This would not, however, deflect him from pursuing what he conceived to be the right policy for Northern Ireland.

The police had advised him that his personal safety was at risk - not on this occasion from the usual I.R.A. sources but from the opposite extreme. This would not, however, deflect him from pursuing what he conceived to be the right policy for Northern Ireland. The events in Londonderry on 5th October were regarded by him and his colleagues as tragic at a time when community relations were improving and when a major break-through was about to be achieved on the industrial front in North-West Ulster. The industrial effort there had started with the attraction to the area of the Du Pont plant, which now employed a mainly Catholic labour force. The prospect ahead had been most encouraging with every expectation of bringing unemployment down to an acceptable level and it was agreed by moderate opinion on all sides that a serious set-back had occurred on 5th October.

Captain O'Neill continued with a reference to the housing conference he had called on 30th October. He thought this had been very useful in pinpointing the major difficulties in the housing field but it was clear that if the public building programme were to be increased substantial additional finance would be needed. He hoped the Home Office would be prepared to take this aspect up with the Treasury.

He referred also to the progress made in the educational sphere with the adoption in Northern Ireland of 80% grants for voluntary schools. Although the Roman Catholic Church and Roman Catholic Members of Parliament had been critical of the Government scheme it had been tacitly accepted. The Northern Ireland Government, however, had been given little or no credit for putting the scheme through in face of some difficulty within their own Party.

The Government had also pressed on with electoral reform and now had a Bill in its final stages at Stormont which abolished the University seats and the business vote. This also had not been done without difficulty but no credit had been given.

In general he hoped it would be recognised that the Northern Ireland Government had done its best, in politically unfavourable circumstances, to bring in reforms of some substance.

Mr. Faulkner said he fully supported what Captain O'Neill had said. The increased grants for voluntary schools had been particularly difficult to put through because for many years Northern Ireland grants had been in excess of those available in Great Britain.

He hoped British Ministers would not overlook the fact that the great
majority of Opposition Members at Stormont were committed to the abolition of the Northern Ireland constitution; Unionist Members were accordingly inclined to look askance at concessions to the minority which they tended to interpret as weakening the constitution. Captain O'Neill had done a tremendous amount to improve the situation and he hoped he and his colleagues had also helped.

Mr. Wilson interrupted at this point to explain his correction of Mr. Lynch's statement about partition; he had written to Captain O'Neill to put the record straight and had also made his views public in Hansard in reply to a written question.

Mr. Faulkner said this was very much appreciated. In Londonderry employment for men had been scarce ever since a century or more ago when the shirt-making industry using mainly female labour had been set up. Only in the past few years had any progress been made towards changing this with really substantial progress occurring in the last three years. It seemed now distinctly possible that unemployment in the area could within the next three years drop as low as 4%, which was about the lowest that was practicable. The new industries now coming in offered about 75% of their jobs to men and these would mostly go to Roman Catholics. One-third of all new jobs last year went to West Ulster. Neither he nor his Ministry had ever allowed political considerations to influence the location of new factories; every effort had been made to steer industry to Londonderry and he quoted the example of the Michelin Company, which had been offered an additional £1 million in grant to locate in the Londonderry area but they had not been prepared to do so.

There were now some 1,300 jobs in prospect for Londonderry but an unfortunate consequence of the Londonderry troubles had been the effect on incoming industry - one firm having now decided to suspend action pending further reports on the situation.

He emphatically denied that jobs had gone to people on any consideration other than ability and he would be very happy to facilitate any enquiries that anyone wanted to make from industry on this point.

Captain O'Neill mentioned the serious economic blows struck at North-West Ulster by the impending closure of Sea Eagle and the R.A.F. Station at Ballykelly. Civilians employed at these establishments were about 80% Roman Catholic. The Ballykelly closure would to some extent be mitigated by the build-up at the Hoechst plant, which was being erected nearby, but the jobs at the R.A.F. Station for the unskilled would be difficult to replace.

Mr. Craig, dealing with the Local Government franchise, referred to the investigation now taking place into the re-shaping of Local Government with the aim of greatly reducing the 74 local authorities at present in existence. This was a difficult and highly unpopular task but it was being energetically pursued. The emphasis so far had been on reducing numbers but must now be
switched to a consideration of the functions which it was proper to ask Local Government to carry out in the future. There were arguments for transferring the responsibility for some of the more important functions to the Northern Ireland Government leaving local authorities with such minor services as street-lighting and refuse collection.

The aim was to complete the Local Government investigation within a period of three years.

The company vote amounted to less than \( \frac{1}{3} \) of the Local Government electorate.

The Northern Ireland Government was not adopting delaying tactics in the hope of a change of Government at Westminster, but they did have to pay regard to their own position with a Northern Ireland general election also looming up. It was their hope that sufficient progress would be made to enable the re-constitution of Local Government to be carried through early in the next Northern Ireland Parliament. He found it difficult to speculate on what the franchise should be in the new conditions after re-shaping. If, for example, the new local authorities were to be entrusted with only the simplest functions, such as refuse collection, capable of being financed entirely out of the rates there could clearly be a case for a ratepayers' franchise. Northern Ireland was accused of resisting a move towards one man - one vote but it should be realised that as more and more houses were built the discrepancy between the size of the two franchises was always diminishing. He could assure United Kingdom Ministers that Local Government re-organisation was being pressed forward as fast as possible and there was every prospect that a second White Paper on functions and finance would be produced in six months' time. Perhaps at that stage the Northern Ireland Government could review the position to see if their commitments could be revised.

Turning to allegations of discrimination in the allocation of houses Mr. Craig stressed that out of over 10,000 allocations per year, including re-lets, only a very small fraction gave rise to any complaint. In Londonderry one-third of the population had been re-housed since the war and it was known that about 80% of the houses involved had been allocated to Roman Catholics. It was very disappointing that criticism should emanate from an area for which an ambitious development plan had been drawn up. This contemplated the provision of 12,000 new jobs and 9,600 new houses by 1981, which with other major developments would cost in the region of £120 million. The Government had undertaken to use every resource to back the plan. It was tragic that all these actual and prospective advances should be clouded by the riot on 5th October.

On the suggested appointment of a Parliamentary Commissioner, two full debates on this subject had taken place at Stormont and the arguments had not changed since. He thought that when the re-distribution of functions as between Stormont and the local authorities was settled the matter could be
re-examined - particularly if Stormont were seen to be taking over functions from local councils. To appoint a Commissioner now on the British pattern would hardly meet the criticisms of the minority, which were largely directed at local authority administration - a field not within the ambit of the British Commissioner.

As regards the Special Powers Acts Mr. Craig said he was very concerned at the possibility of embarrassment to the United Kingdom authorities. If circumstances were normal most of the various regulations made under the Acts could have been put into cold storage, but, unfortunately, some disquieting news about I.R.A. policy had come to light which gave grounds for thinking that a new campaign of violence might be mounted. In the long-term it seemed likely that Communist philosophies would dominate I.R.A. thinking and that more and more the organisation would involve itself in trade disputes, evictions, etc., using such incidents to create unrest. Baulked in its efforts to use Republican Clubs as recruiting grounds by the ban on such clubs, it had turned its attention to the civil rights movement. Undoubtedly many people in this movement were perfectly sincere in their belief and opposed to the I.R.A. but the fact remained that of 70 people who were in the civil rights movement 30 were known to be actual members of the I.R.A., or Republicans who supported the I.R.A. The Londonderry riot had at least led the civil rights people there to re-organise and exclude known agitators and Republicans.

Mr. Craig gave other details of I.R.A. activities in Northern Ireland to illustrate the need for retaining the Special Powers legislation, which he considered indispensable in present circumstances. In a period of calm he would be quite prepared to consider dispensing with most of the regulations but he would have to retain the ability to move quickly against any threatened trouble. In the Irish Republic the Government had somewhat similar powers in reserve but as they were a high contracting party to the Human Rights Convention they were entitled, by proclaiming a state of emergency, to bring their powers into immediate operation. He suggested that perhaps some arrangement could be worked out between the two Governments to enable Northern Ireland to operate on a similar basis.

Miss Bacon recalled a visit she had paid to Newry when Minister of State at the Home Office. At that time the main concern of the local people had been with the future of the meat factory and this illustrated that jobs and social improvement were the things dominating most people's thoughts. At the same time a large body of opinion, including her own friends in the Northern Ireland Labour Party, who were not interested in abolishing the Border, felt strongly about the Local Government franchise. In Great Britain there was today, thanks to the television coverage of the Londonderry riot, a strong feeling supporting the demand for one man - one vote. The Northern Ireland Government was undoubtedly open to criticism on this by moderate opinion and she felt it would be desirable to move from the present position. She had
difficulty in understanding Mr. Craig’s argument about ‘dust bin’ functions; if in fact local authorities were to be given such exiguous duties surely there could be no objection to allowing everybody to vote at Council elections. She did not feel Northern Ireland had much to lose in moving on this and she hoped the Government would see the importance of stilling the continuous criticism by the British press and public.

Mr. Callaghan said he could not understand why a move on the franchise had to wait until the re-organisation was complete. Mr. Craig had suggested looking at the Parliamentary Commissioner proposal in six months’ time when the next White Paper on Local Government was produced. If the main body of complaint lay with local authority administration then surely a statement should be included in the White Paper about the appointment of a Parliamentary Commissioner to investigate complaints arising out of the services to be transferred to Stormont.

He agreed with Miss Bacon’s argument that if local authorities were to be entrusted only with unimportant functions there was no case for retaining a ratepayers’ franchise. He thought it would be very helpful if by next Spring a Parliamentary Commissioner had been appointed and the franchise were in process of being changed. He agreed that with the I.R.A. in their present mood there was a risk of explosions. He also agreed that they would use every effort to exploit grievances but this surely was an argument for removing grievances on which they could fasten.

Mr. Wilson also agreed that a diminution in the functions of local authorities could not justify a refusal to extend the franchise. There was no more emotive force than a feeling on the part of local authorities that their functions were going to be reduced. The British Government were fully expecting a major row on the Maude Report (on Local Government) with its proposal to have local government areas of about 1½ million people. He could not understand why Northern Ireland wanted to wait on a settlement of functions and boundaries before deciding the franchise issue - unless, of course, they wanted to have two rows on their hands at the same time.

Mr. Craig said he should have stressed that very difficult practical problems on the financial relationship between the new local authorities and Stormont would have to be ironed out. The Government might have to declare that the General Exchequer Contribution would disappear and local authorities become self-financing. In this situation it seemed to him difficult to extend the franchise.

Mr. Wilson said he did not see how this need affect the franchise issue. In Great Britain they were already engaged in an operation to cut down Government assistance to rate-borne expenditure.

Mr. Faulkner pointed out that jobs and houses were generally accepted as the really important matters on which progress was required. The Local
Government issue was very emotive indeed and to proceed with an extension of the franchise could seriously jeopardise other reforms.

Mr. Wilson said all Governments had to carry certain policies against the wishes of their own Parties. The onus must rest on those resisting the universal franchise to prove their case and he had not heard anything today which convinced him of its merits. A restricted Local Government franchise was indefensible in the 20th century. Northern Ireland had moved a long way in adopting the same basis as Westminster for local Parliamentary elections. To retain the present Local Government franchise was to leave a grievance to be seized upon even by people who in no sense could be described as troublemakers.

At Westminster it would be no answer for him to say there was a general movement in the direction of reform but that no action would be taken for three years.

If houses were distributed as fairly as suggested then he could not see why a points system should be resisted. No doubt a difficult aspect of a points system in Northern Ireland would be the number to be awarded for children since this brought in the religious issue; (he had the problem in his own constituency). A points system did have the supreme virtue of preventing discrimination on religious or other grounds.

Mr. Faulkner pointed out that points systems were not compulsory in Great Britain and it was quite open to local authorities in Northern Ireland to adopt them if they wanted.

Mr. Callaghan said those local authorities who had adopted points systems would not now return to the old method of allocation. He thought the Northern Ireland Government should be prepared to put pressure on their local councils and Mr. Wilson suggested that Government grants could be held back if necessary.

Miss Bacon said that when only householders could vote it was doubly important to ensure that houses were distributed fairly. If the franchise were extended to give adult suffrage then there would be less incentive to discriminate.

Captain O'Neill referred to the absence of any serious house-building programme before the War and the back-log which had then to be cleared in the post-War period. He mentioned the establishment of the Housing Trust and the magnificent job they had done, not merely in building houses, but in providing a management system which was second to none.

Mr. Wilson turning to the Londonderry situation, said the recent riot had upset many people in Government and Parliament in London. The television media could not be accused of falsifying their reportage of the occurrences. The responsibility for law and order was clearly one for the Northern Ireland Government and the question of an impartial inquiry was also for them to consider. Opinion among moderate Members - not by any means normally ill-disposed towards Northern Ireland - had been very critical of the police...
action at Londonderry which contrasted very badly with the exemplary
behaviour of the Metropolitan police in dealing with the Grosvenor Square
procession on 27th October. He would be asked about an impartial inquiry and
if the Northern Ireland Government so wished he would have to maintain that
the constitutional responsibility lay with Stormont. But if the Northern
Ireland authorities were so confident that the situation had been handled
properly why were they reluctant to hold an inquiry?

Mr. Craig said the police action in the Londonderry riot had been
examined exhaustively and minutely and there was no justification for the
aspersions cast on the R.U.C. Like the Home Secretary he had the duty of
upholding the police force in actions taken to ensure the maintenance of law
and order. In Northern Ireland the police had a most difficult task with
groups on both sides intent on breaking the peace. If an inquiry were to be
held it would have the effect of hindering future police action. A
completely independent inquiry a few years ago into certain police actions
had very fully exonerated the police but during and after the investigation
the force had been in an unsettled state and took a long time to return to
normal. With the probability of some planned disorders looming ahead it
would be quite disastrous to undermine police morale by instituting an
inquiry as suggested. He had always left decisions on action to avoid a
breach of the peace to the police; neither he nor they had any doubt about
the premeditated nature of the Londonderry outbreak. The Minister then
dealt in considerable detail with the precise sequence of events in
Londonderry on 5th October which he saw as completely vindicating the police.
He suggested that if they had not taken firm action disturbances could
have continued for several days. It must be made clear to extremists on
both sides that the law would be fully enforced. If this primary duty were
ever to be blurred there would be other people ready and eager to
arrogate to themselves protective duties.

Mr. Wilson pointed out that the Grosvenor Square affair had also been
premeditated: the agitators included some of the best anti-barricade
people from Europe and the East and they were very tough indeed. If
the police action in Londonderry was as satisfactory as the Minister
maintained, could anything be lost by having an inquiry?
Mr. Callaghan said much of what the Minister had said appealed to him. He had received a long memorandum on Londonderry from the three Westminster M.P.s who had been present and he would send it to Mr. Craig for any comments he might care to make. One of the allegations was that the police had removed their constabulary numbers from their tunics.

Mr. Craig pointed out that outside Belfast the R.U.C. did not use numbers.

Mr. Callaghan acknowledged this reply by saying if all the charges could be so easily disposed of why not have an inquiry? He realised that the assembly had been an unlawful one but the real question was whether undue force had been used. He himself was not in a position to argue the point but surely the Northern Ireland authorities must see that an inquiry could be useful in throwing up some matters that possibly needed to be put right; but if none appeared so much the better and the world would know the truth.

Mr. Craig said that he did not believe good and proper grounds existed for an inquiry and to order one would be to encourage agitators who were ready to take every advantage that was offered. Last week-end the Londonderry civil rights organisers had tried to manoeuvre him into banning what he believed to be an allowable demonstration; he refused to take the bait and all passed off peacefully in a very tricky situation which was well handled by the police.

Captain O'Neill said he appreciated the difficulty the Home Secretary was in over the memorandum he had been given; the Northern Ireland authorities would be happy to answer the various charges in the greatest possible detail.

Mr. Wilson described this particular report as circumstantial and disturbing and he paid more attention to this than to the authors with whom he did not always see eye to eye. Riots could almost be regarded as a major industry these days and he realised one of the techniques was to provoke the police. The British constabulary had the answer as was proved at Grosvenor Square; they were not to be provoked.

Mr. Callaghan said one must return in the Londonderry affair to the question "was undue force used?" He had an offer of another film on the riot which he was asked to see before this meeting but he had declined.

Mr. Craig said he had publicly invited people in Northern Ireland to inform him of any particular aspects of the affair which they thought should be brought to his attention.
Summing up the discussion Mr. Wilson said they had dwelt on five points, all of which (with the possible exception of the Special Powers Acts which had international implications) were entirely matters for the Northern Ireland government though this did not mean that the United Kingdom authorities could just shrug off their ultimate responsibility under Section 75 of the Government of Ireland Act. It would be no answer to questions at Westminster to point to Northern Ireland’s responsibility. It should never be forgotten in Northern Ireland that the British taxpayer was contributing to their expenditure on a large scale - and there had been an enormous increase in payments since 1964; this assistance could readily be made conditional - or stopped. Westminster sensitivity on Northern Ireland affairs was exacerbated by the presence of the Ulster Members and the role they could play in British affairs. More and more members were asking for a root and branch solution to the Northern Ireland problems but rather than pursue this he would prefer to see Northern Ireland taking action to satisfy Westminster.

Mr. Callaghan, taking a backward look at the state of Northern Ireland's finances in 1951, pointed out that then the Residuary Share of Reserved Taxes was £36 million and the Imperial Contribution £19 million. Last year the respective figures were £171 million and £57 million. The contrast was remarkable and no one should doubt that the continuation of this advantageous position would depend on Members at Westminster being satisfied with other aspects of Northern Ireland affairs.

Captain O'Neill said it was clear that he and his fellow Ministers must report back to their colleagues at home on today's discussion. In the meantime he thought it possible that some of the more onerous of the Special Powers regulations, such as that permitting internment (which had not been invoked for some time), could be dispensed with. More might have been feasible if only the I.R.A. had not shown recent signs of recrudescence. He wished to assure the Home Secretary that local government re-shaping had not been put on the long finger; a general election was likely in the next 18 months and the time for implementing re-organisation looked like three years from now. His housing conference had thrown up the need for additional finance to assist increased output and he hoped some progress could be made on providing this.

Mr. Wilson said a delay of even two years would leave him to face 120 days on which he could be asked questions about Northern Ireland.

He had three suggestions to make:

(1) Both sides would report to their colleagues on today's meeting.

(2) There should be an exchange of correspondence on the matters at issue; a letter would be sent to Captain O'Neill in due course.
field; but for 'transferred' services the responsibility for action rested with the Northern Ireland Government. He still could not see why there should be any difficulty on this matter and he thought they should consider together what should be done and if need be United Kingdom and Northern Ireland officials could seek the advice of Sir Edmund Compton, the present Commissioner.

Mr. Callaghan interjected a remark at this point to the effect that it was ridiculous that the United Kingdom Commissioner should be operating in Northern Ireland in respect of 'reserved' services when there was no similar arrangement in respect of 'transferred' services.

(3) As to the other matters discussed, Mr. Wilson said that for the minutes it should be recorded that:-

(a) he had re-iterated earlier pledges on partition;

(b) he recognised that the issues under discussion were the constitutional responsibility of the Northern Ireland Government, subject, however, to the residual rights of the United Kingdom Government under Section 75; and

(c) the remaining matters raised concerned the local government franchise which contained two elements - the company vote and the adoption of adult suffrage; the question of housing allocations; and the appointment of an independent inquiry into the handling of the Londonderry riot on 5th October.

(4) The discussion had also covered the very heavy and growing financial burden involved in keeping Northern Ireland services up to British standards; this had meant great increases in the area of discretionary payments, accompanied by a much reduced Imperial Contribution.

Mr. Callaghan referred to the very generous borrowing limit of £50 million which was agreed recently by the Treasury. Some Governments would be prepared to do anything to achieve a similar position; New Zealand, for example, were held to a £3 million limit.

Mr. Craig said that if Northern Ireland were to accelerate the programme of reform more money would be needed but Mr. Wilson said Westminster members were already objecting to the present scale of assistance. And money for Short and Harland was now again under consideration; he was fed up with this firm which had become a kind of "soup-kitchen" and was no good to anybody.

(5) Mr. Wilson added that the final matter to be recorded in the minutes was his proposal to write to the Northern Ireland Government seeking
their formal views on the matters discussed.

The meeting concluded with a brief discussion about the terms of a press release (a copy of the handout eventually issued is attached).