

Sub B. Bacon  
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On Thursday, January 12 the Prime Minister, accompanied by the Home Secretary and the Minister of State, Home Office (Miss Alice Bacon), entertained Capt. O'Neill, Prime Minister of Northern Ireland, The Rt. Hon. Brian Faulkner, M.P., Minister of Commerce, The Rt. Hon. William Craig, M.P., Minister of Home Affairs, and Mr. Black, Secretary to the Northern Ireland Cabinet, to lunch at No. 10 Downing Street. I was also present.

Following the lunch the party adjourned to the Cabinet Room for discussions on the situation in Northern Ireland.

At the beginning of the substantive discussions the Prime Minister said that he was assuming that, like his earlier discussions with Capt. O'Neill, the proceedings at the meetings would be regarded as strictly confidential. Capt. O'Neill and his colleagues agreed to this.

The main part of the discussion which followed was concentrated on the Northern Ireland political situation with particular reference to allegations of discrimination between the two religious and political groups within the six Counties.

Opening the discussion the Prime Minister said that the Northern Ireland political situation aroused strong feelings on the Government Benches at Westminster and he and his colleagues had faced, and would continue to face, much questioning and probing on this issue. It must be

recognised that the many new members of the Government Back Benches were of an irreverent turn of mind and it would no longer suffice to say that the present arrangements were the result of an agreement reached 40 years before. The Back Benches were exercised by the allegations of discrimination, particularly in Local Government affairs, which came to their attention; by their inability to question Ministers about these in the Westminster Parliament and, against this background, by the presence of Northern Irish M.P.s at Westminster who were free to exercise the full right of Membership of that House. He knew that the minds of some of these Members were turning towards the possibility of action in the fields where the United Kingdom Parliament did have an effective voice in Northern Ireland particularly in the matter of the provision of funds to the Northern Ireland Government. In the circumstances there must be movement and, while he had been most encouraged by the reforms of the Stormont Franchise heralded by The Queen's Speech in Northern Ireland, it must be accepted realistically that the removal of ~~calls~~ of complaint in one field would merely concentrate greater attention on others - and <sup>in particular on</sup> ~~thus effectively~~ the conduct of local affairs in Northern Ireland.

There then followed a general discussion in the course of which Capt. O'Neill and his colleagues made the following points:-

- (a) The reforms of the Stormont Franchise announced in the Queen's Speech had yet to be carried on the floor of the House. They

did not, therefore, represent a base from which further advance could be immediately undertaken but were a stage of development which had yet to be completed.

(b) Other steps were, however, in prospect. The abolition of the University Seats in the Northern Ireland Parliament would mean a re-drawing of boundaries in Belfast. They proposed to ask the British Parliament Boundary Commission to undertake this task on behalf of Stormont so as to ensure the independent nature of the re-distribution.

(c) Thereafter they proposed to set up an independent Boundary Commission to look at all Stormont boundaries.

(d) The position of the Catholic Teaching Hospital, which was outside the Health Service, had given rise to difficulty and criticism but the main problem of integration lay in a dispute between the Roman Catholic Church Authorities and the Roman Catholic, particularly medical, laity. The Northern Ireland Government proposed to introduce legislation which would enable this hospital to be integrated with the Health Service, if its organisers so wished, on the same "character and association" terms as had been offered independent British hospitals when the Health

- 4 -

Service <sup>had been</sup> ~~was~~ established. <sup>in G.S.</sup> This would remove a theoretical ground for complaint though there was no certainty that the Church Authorities would choose to allow the Hospital to be integrated even on the new terms.

(e) As for local Government in Northern Ireland it had three distinguishing features. There were many very small local authorities; their powers were much more limited than <sup>similar</sup> ~~superior~~ authorities in Britain because, inevitably, Stormont fulfilled many of the functions which would be undertaken by a major local authority in Britain; the franchise for local authority elections rested, as <sup>it had in</sup> ~~had in~~ Great Britain before 1947, <sup>on</sup> ~~by~~ a property qualification.

(f) The restricted franchise was a source of criticism but could be defended on the grounds that services provided by the local authorities were closely related to property. The situation was of course changing somewhat as local authorities moved further into the welfare and social fields but the issue was not in their opinion one of great importance. The truth was that allegations of discrimination really arose from the small size of local Government units which gave rise to a situation where family ties or personal connections could be, or might be thought to be, of significance in the running of local affairs. They would claim that if discrimination occurred it arose mainly from the

effects of life in small communities rather than from political or religious motives as such.

The Northern Ireland Government had it in mind to greatly reduce the numbers of local authorities in Northern Ireland - perhaps to 9 or 12 from the present 74 - and were working on a "statement of aims" for local Government which would set out their guide lines in this field. The production of this statement and the subsequent re-organisation of local Government would, they thought, go a long way to "de-personalise" local Government and thereby remove many of the suspicions which were the basis of present dis-satisfaction.

(g) As an interim measure they had already introduced legislation which would enable local authorities to amalgamate by consent and a voluntary amalgamation of this kind had already taken place in County Fermanagh. They would be studying the outcome with interest.

Following this discussion the Prime Minister said that as he saw it the pressures for reform could not be resisted within the framework of the present arrangements between Great Britain and Northern Ireland - nor indeed would he think that they should be resisted. His assessment was that within a period of about three years one of two things must happen. Either (1) the Westminster Parliament would insist on interfering more and more with the internal affairs

of Northern Ireland with the inevitable erosion of the "division of powers" which formed the basis of the present arrangements or (2) an agreement would be reached whereby the British Parliament and Government would refrain from interfering at all in Northern Ireland affairs provided that Northern Irish members of the Westminster Parliament observed the same discretion on voting on matters appertaining to Britain. Under such an arrangement members of all parts of the United Kingdom would of course be able to vote on those matters of common concern such as defence and foreign policy.

Captain O'Neill commented that the arrangements made at the time of the Government of Ireland Act included a deliberate reduction from 26 to 13 of the number of M.P.s returned to Westminster from Ulster in recognition of the diminished rights of the United Kingdom Parliament in Northern Ireland affairs. On the basis of the present population the number of Ulster M.P.s in a unitary United Kingdom would be about 18 instead of the 12 they at present enjoyed. He and his colleagues would of course consider very carefully all of the points which had been made to them.

There then followed a short discussion on the present state of the economy of Northern Ireland. Mr. Faulkner said that the squeeze had already raised their unemployment rate above 8% and if it continued for more than a further 12 months it could be expected to inflict permanent damage on the Ulster economy. The Northern Irish Government were in close consultation with United Kingdom Departments and were most grateful for the help they had received. Further help however by way of, for example, the placing of warship

- 7 -

orders with Harlands and Wolf or the additional purchase of defence material such as clothing in Northern Ireland would be of great assistance. Mr. Faulkner also gave an account of the position of the Short Brothers Aircraft complex and of the likely influx of new major manufacturers to Northern Ireland in the next few years.

In reply the Prime Minister assured the Northern Ireland Government that the British Government was very conscious of their problems and fully intended to relax measures of restraint as soon as the balance of payments situation permitted. Relaxation could be expected to be selective in the light of the Government's assessment of the best long-term needs for the economy and the measures already introduced to increase capital investment grants was typical of the Government's approach. He would see that the points made by Mr. Faulkner about defence expenditure and warship construction were brought to the attention of the Departments concerned though, so far as warships were concerned, he was sure that the Northern Ireland Government understood that orders could only be placed on the basis of competitive tendering. Mr. Faulkner said that this was fully understood. They merely hoped for an element of preferential treatment should their tenders be equal best with those of other potential suppliers.

Finally the draft press statement attached to this note was agreed.

January 12, 1967