

Wm HeathornPA. M.  
17/6Minister of State:Visit to Northern Ireland  
4th-7th June, 1968.

1. I attach for your information a brief covering all aspects of the Northern Ireland scene which, I hope, will give you all the necessary background for your visit. The background notes have been brought up-to-date generally and in particular as regards Harland and Wolff and Short Bros. and Harland. In this form it contains information on which you can base any speeches which you are called on to make and which should be useful in private conversation.
2. However, it would perhaps be helpful to give you in note form a summary of points which you may wish to include in public speeches under three heads, viz. (i) the political scene, (ii) economic matters including employment, and (iii) agricultural affairs. Separate notes on these items are attached; they can, as you judge fit for the particular audience, be expanded by reference to the appropriate subject in the main background brief.
3. In private conversation with Captain O'Neill you will no doubt make some reference to his recent encounter with the Paisleyite mob. It would be right to express pleasure at the settlement reached over the management of Roman Catholic schools.

On the other hand you will no doubt want to make Captain O'Neill aware of the feeling that exists among Government supporters here about internal administration. A cutting from the Belfast Telegraph of 29th May, giving Mr. Ross's account of the meeting with the Home Secretary, is attached. In the afternoon there was some concern in Government circles in Belfast at wireless reports that the U.K. Government were planning to publish a statement of the aid granted to Northern Ireland. We told the Cabinet Secretary that we knew of no such intention. The point was not that there was any objection to

such publication but that if this report were true the Northern Ireland Government would have expected to hear from us about it first.

4. While recognising the constitutional position over 'transferred' matters, you might consider the following to be points you could discuss:

- (a) Special Powers Act: Is there any hope that the Regulations under the Act could be further eased in any way?
- (b) Stormont Franchise: Progress with the legislation to abolish the University representation, plural voting and other deviations from the Westminster franchise.
- (c) Local Government Electoral Arrangements: The idea is to get the structure of local government settled before taking steps on elections. A White Paper has been published on the structure.

There was a feeling, expressed by Mr. Rose and his colleagues, that the Northern Ireland Government took credit for receiving finance from the United Kingdom Exchequer whereas the credit is due to the United Kingdom Government. The Prime Minister of Northern Ireland and the Minister of Finance have publicly expressed their appreciation of the actions of the United Kingdom Government but, while making it clear that this finance is not largesse, but a recognition of the needs of Northern Ireland within the United Kingdom, you may be able to take credit on behalf of the Government. Items that may be mentioned are the Agricultural Remoteness Grant, the financing of the Regional Employment Premium and the abatement in the Imperial Contribution to enable winter relief works to be carried out last winter. (Further detail is given in item of the background brief.)

30th May, 1968.

POLITICAL AND GENERAL

1. The constitutional position of Northern Ireland is unique in that Northern Ireland is part of the United Kingdom and sends representatives to Westminster but is subject in most internal matters to the jurisdiction of a Parliament and Government of its own. For certain specified subjects executive power remains with the United Kingdom Government; otherwise the Parliament and Government of Northern Ireland are responsible. The Home Secretary is the Minister primarily responsible for business between the two Governments; it is his responsibility to ensure that each understands the other and to speak for Northern Ireland in the highest councils of the land. This does not mean always giving unthinking endorsement but certainly it entails ensuring that Ulster's voice is heard, that her views are made known in matters of joint concern and that proper weight is attached to them.

2. The task of the Home Secretary is made immeasurably easier by the ease and warmth of personal contacts at all levels, Ministerial and official and the history of Northern Ireland over the fifty years demonstrates how the differences of politics, of size, as well as those arising from sea barrier are readily overcome given the trust and good-will that has always existed between us. Tribute must be paid to the Prime Minister of Northern Ireland, his colleagues, and to the Northern Ireland Civil Service, that relations are so harmonious.

3. I have been most impressed with the way old differences in Ulster are increasingly being put aside - the encouragement, starting at the top, given to local communities to come together and take pride in a new sense of oneness - both amongst themselves and with the Government. Pride of race, love of country and devotion to one's religion are good - even great - attributes but, like anything carried to excess, if their result is that

people lose sight of the fact that good can reside in opinions and beliefs other than one's own, they can be harmful. I am, therefore, very encouraged by the brave initiative taken by Captain O'Neill in arranging meetings with Mr. Lynch and his predecessor, to help produce a more friendly and productive climate in the economic and cultural field. Since all sides have made it plain that the constitutional integrity of Northern Ireland is no way jeopardised, and has been guaranteed by successive Governments in London and by Statute, I do not see how any reasonable person of good-will can but applaud these efforts.

4. I recognise too that community relations inside Northern Ireland depend on a general climate of trust and friendship, which I believe is more and more prevalent, but this climate of trust and friendship does not just happen; only individual and collective acts of courage, initiative and leadership can bring it about. Such acts are of increasing frequency and give no great satisfaction.

5. For our part, we in the United Kingdom Government have no wish to meddle in those affairs which are within the competence of your Parliament and Government. Nonetheless, we are all a part of our country, the United Kingdom, and we do not shrug our shoulders and ignore what happens in Northern Ireland. The economic problems of creating new jobs and attracting new industries, are such that only joint efforts by both Governments can bring the most fruitful solutions, and we try to do our part in this, for instance, through the Regional Employment Premium, through our agriculture support system, through help in such matters as particular shipbuilding or aircraft contracts. I always say to those who criticise some aspect or other of Northern Ireland life, that they would contribute far more to human happiness and well-being if they would concentrate attention less on the residue of old quarrels than on the pressing and real economic problems of today. For

if they can be overcome - and though much remains to be done great, indeed immense progress has been made, in terms of new jobs, new factories, new skills - then the natural fears and suspicions which hinder progress, whether on the factory floor, or in the wider form of day-to-day life can and will disappear.

6. I declare my faith in the future of Northern Ireland as a part of the United Kingdom. Much needs to be done before the prosperity of Northern Ireland is at one with all other parts of the country but the will to succeed is there, the resources of labour and the ability to train for new jobs are waiting to be used, educational facilities for our young people are as good as anywhere in the United Kingdom, and where the amenities and pleasures of life abound whether of a cultural or a sporting kind.

ECONOMIC MATTERSSpeaking Note

1. The constitution of Northern Ireland having its own Parliament and Government has its roots in history, but because Northern Ireland is administered by its own Government it remains an integral part of the United Kingdom and the foundation of the financial relationships between the Northern Ireland Government and Her Majesty's Government in Westminster is the parity of taxation that exists between Northern Ireland and Great Britain and the parity of services available for an Ulsterman as for the residents of Great Britain. The existence of a separate Government in Northern Ireland does not mean that we in London view with anything but dismay the continuing high level of unemployment in the Province, unemployment at a rate which is broadly speaking nearly twice as bad as in the worst parts of Great Britain. The Northern Ireland Government is responsible for measures to alleviate unemployment and I am glad to have this opportunity of paying a tribute to the energy with which the Northern Ireland Government has tackled this aspect of the development of Ulster, in particular in the field of attracting to Northern Ireland new industrial undertakings and in the widespread scheme for training workers to take employment in the new industries that have been brought to Northern Ireland in the past years. The success that has attended their efforts is attested by the fact that the total number of actual jobs provided by firms which have been assisted by the Northern Ireland Government to establish or expand was nearly 67,000 by last year and this figure should go up to nearly 82,000 from new undertakings which have not yet completed their developments. It is indeed regrettable that the very real success thus achieved has been minimized by the loss of employment in the older industries, especially the textile industry and shipbuilding.

2. Nevertheless, the Northern Ireland economy is inseparable from that of the United Kingdom as a whole and the state of the United Kingdom economy at any time determines the general level of economic activity, the general standard of living and the climate for private industrial investment in Northern Ireland as in the rest of the United Kingdom. For this reason there is a partnership between the two Governments and liaison is close and continuous. In a variety of ways the United Kingdom Government is glad to be able to help the efforts which the Northern Ireland Government is making to improve the prosperity of the Province. For example in these current conditions of economic troubles the kind of help that is afforded to Development Areas in Great Britain is invariably applied also to Northern Ireland; the Board of Trade co-operates most closely with the Northern Ireland Government in steering footloose industry to Northern Ireland and puts forward the attraction of Northern Ireland to industrialists with no less priority than those of the Development Areas in Great Britain; Government departments in placing contracts apply the preference scheme in favour of firms in Development Areas equally to firms in Northern Ireland. As an integral part of the overall United Kingdom economy Northern Ireland is favourably affected by measures to ensure sustained expansion and adversely affected by measures intended to restrain production.

3. There is the greatest good-will and sympathy with the problems of Northern Ireland both in the Parliament and in the Government at Westminster. It is, therefore, with the greatest regret that sometimes decisions are forced upon us which have an adverse effect on Northern Ireland's economic position. A recent example of this has been the quite inevitable decision that the R.A.F. Station at Ballykelly will have to be closed down within the next few years. This must mean not only a loss of employment in an already very hard-hit area but a loss of spending power, the effects of which must be felt widely throughout the community. But the United Kingdom

Government are determined to do all in their power in co-operating with the Northern Ireland Government to try to secure that alternative sources of employment should be available in the area so that the effects of this closure can be offset.

4. In more material ways the United Kingdom Government is always anxious to promote the prosperity of the Province, and several instances could be given in the last few years of finance being made available to the Northern Ireland Government to alleviate unemployment. There are those who think that Northern Ireland is subsidised by Great Britain. This concept I repudiate. Northern Ireland is one of the less wealthy areas of the United Kingdom; in Great Britain there are areas which are less wealthy than others.

Northern Ireland and all areas in Great Britain are subject to the same taxation but from the poorer areas the Government derives a smaller revenue per head of the population than from the wealthier areas. The scale of Government expenditure on localised services is not lower in a poor area than a rich area; on some services it may be higher. The revenue derived from all areas in the United Kingdom is pooled in one exchequer and the Government services are all financed from the common pool. The fact that Northern Ireland has a separate Government and a separate exchequer is not a reason for treating the people of Ireland more favourably than the people in the less wealthy areas in Great Britain.

AGRICULTURE

1. Anglo-Irish Free Trade Area Agreement - Background notes are included in ~~paragraphs~~ 10 - 15 of item 8 of the main brief attached. The principal matter at issue at present arises in the meat and livestock sector, especially as regards the effect of proposals of the Government of the Republic of Ireland for the payment of export subsidies on exports to Great Britain, excluding Northern Ireland. We are concerned also over the effects of Irish policies on our marketing ~~arrangements~~ and the phasing of supplies. Discussions have been proceeding with the Republican Government and have not yet been brought to a conclusion and the Ministry of Agriculture, Fisheries and Food are concerned that nothing should be said in public at this delicate stage of the talks which might be brought into question. The most that you can say, therefore, is:-

Speaking Note

Talks are proceeding with representatives of the Government of the Irish Republic, with which the Northern Ireland Government are associated, about certain aspects of our trading relations under the Anglo-Irish Free Trade Area ~~Agreement~~ particularly in the meat and livestock sector. We have also had in mind the effect of the meat agreement contained in the Free Trade Area Agreement. Both we and the Republic have as our objectives in this field what ways and means there might be of reaching a better balance and phasing of supplies as between carcass meat, fat cattle and stores. These discussions are continuing.

In all this there is the fullest co-operation between us and the Northern Ireland Ministry of Agriculture and we have a full understanding of, and sympathy for, the views that have been

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be used.

expressed on behalf of Northern Ireland. I can give this assurance - that we for our part regard the interests of Northern Ireland in these matters as an integral part of the United Kingdom's interests as a whole.

2. Remoteness Grant - One of the ways in which we have been able to help Northern Ireland agriculture has been to recognise the disadvantages suffered by Northern Ireland farmers in their remoteness from their markets. This has been recognised by the payment of what is called the Special Assistance Grant, the general concept of which is that Northern Irish producers should not be expected to bear the whole burden of a greater degree of price differential than that borne by other distant producers on the mainland. The original Remoteness Grant of £1m. a year in 1957 has been nearly doubled since 1957; it now stands at £1½m. a year and is I know put to very good use in the Province.

3. Price Review - A particular feature of our agricultural system is the Annual Review, and the interests of agriculture in Northern Ireland are very fully taken into account when decisions are made on the basis of the Review. It is indeed a major responsibility of the Home Office Minister concerned (and I count myself privileged to have this task myself) in all the discussion, debate and decision-making that goes on, to speak for Northern Ireland and to ensure that it is treated fairly alongside the rest of the United Kingdom.

I have farmed myself in Suffolk, as some of you know, for over forty years, and I have never yet seen an ideal Price Review, or met a farmer who had. All the same, this year's Review will I hope have brought some satisfaction to farmers in Northern Ireland since a great deal of emphasis was placed on livestock and meat production, notably beef and pigs. I agreed strongly at the time that one of the quickest and easiest ways both of

gaining imports of bacon and pigmeat, and of doing something to preserve farm incomes in Northern Ireland, was to support pig production. We put up the guaranteed price by a shilling a score, and widened the middle band - by raising the top by 300,000 pigs we gave, I believe, a real encouragement to producers, and while I know that rising feed costs in Northern Ireland are a real problem, the feed formula gives some protection against rises for the pig producer.

As to beef, your producers should stand to gain both from the substantial increases in the beef and hill cow subsidy, and from the increase of 11s. 0d. per cwt. in the guaranteed price for fat cattle.

I know you would have been glad of even more, and I am myself most sympathetic to the Ulster farmer, who faces real competitive disadvantages because of the remoteness both of markets and supplies. Recent changes in the pattern of production and supply of cereals for annual feeding stuffs have I know caused problems, and there is close and continuous contact at Ministerial and official level between Northern Ireland and the United Kingdom Government about them. However, taking this year's Review as a whole, I really think we did you pretty well in the circumstances.