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SECRETARY OF STATE'S MEETING WITH THE  
PRIME MINISTER OF THE REPUBLIC OF IRELAND

Background

Anglo-Irish Relations

On political issues which do not directly affect partition, the Irish Republican Government is cooperative and friendly. The Irish Republican Government is unwilling (and would be politically unable) to concede any points of principle on the partition issue; but is usually prepared to avoid making this issue a handicap in matters of practical cooperation. Mr. Lynch has had a number of meetings with Captain O'Neill, in both Dublin and Belfast. Mr. Lynch has himself described these meetings as a continuation of his predecessor's policy of contact and maximum cooperation in practical matters of public concern, without sacrifice of matters of principle.

2. The Irish Republican Government's policy is to allow the I.R.A. to wither away by giving it as little opportunity as possible to demonstrate its continued existence or to create a situation in which the Republican Courts are forced to make "martyrs" of I.R.A. members. It is for this reason that the Irish Republican authorities continue to discourage such manifestations of a British presence as visits by members of the Royal Family or by British servicemen on duty or officially organised recreation. Visits by members of the Government either official or on holiday, are however welcome and frequently take place at Irish initiative.

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Anglo-Irish Free Trade Area

3. The Agreement came into force on 1 July, 1966. It provides for completely free trade between the countries by 1975 through the mutual dismantling of tariffs and other trade barriers and is likely to bring a progressive and substantial increase in trade between them. On the British side, the few tariffs affecting Irish goods were abolished when the Agreement came into force; Irish tariffs on British goods are being gradually dismantled over a nine year period; quantitative restrictions on both sides will also eventually be removed altogether.

4. In order to maintain a balance between British industrial and Irish agricultural interests, there are special provisions for Irish agricultural exports to Britain, notably cattle, beef and butter. Apart from the benefits for Irish agriculture, the Agreement is of particular importance to the Irish textile industry which has hitherto found it difficult to develop sales of its products, especially goods containing man-made fibres, in Britain because of the import duties.

5. The Irish have undoubtedly benefited much more than we have from the Agreement. British industrial exports to the Irish Republic increased from £155 million in 1965 to £160 million in 1966 and £164 million in 1967, a total increase of 6% over the 2 year period. Our agricultural imports from the Irish Republic, on the other hand, have increased by 28% over the same period (£105 million in 1965, £114 million in 1966 and £135 million in 1967).

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6. In spite of this disparity, the Agreement has been working well so far. A number of problems have arisen but these are mainly of a routine nature which are dealt with at working level. (The next meeting of the Anglo-Irish Economic Committee is due to take place in London, at official level, on 9 and 10 December). There are, however, three areas where we have recently experienced difficulties.

(i) Cattle. There has been a series of meetings between the British and Irish Ministers of Agriculture about the deficiency payments made by Britain, the Irish export subsidy and the balance and phasing of Irish exports of beef and cattle to the British market. In our view the existing arrangements have proved detrimental to the stability of the British market and have also drawn away cattle from Northern Ireland to meat factories in the Republic. An impasse appears to have been reached in efforts to secure an agreement.

(ii) Butter. The Irish are unhappy that we were unable to increase their quota for exports of butter to Britain this year. Their quota has doubled in the past few years and no further increase was possible in a year in which total imports will fall.

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(iii) Cheese. We have recently requested the Irish Republic, in common with other suppliers, to restrict their exports of cheddar cheese to Britain in the period up to 31 March 1969. We asked the Irish to send not more than 3,200 tons per quarter; this figure was based on the average of supplies over the previous 3 years, i.e. 12,800 tons. While we were willing to consider a modest increase in this figure we could not possibly agree to the 17,400 tons for the year ending 31 March 1969 which the Irish have requested. The latest position is that we have concluded that it would be quite impracticable to achieve a satisfactory reduction of cheese stocks by the target date. Ministers are now being asked to consider whether to extend the period during which voluntary restraint should be observed.

Northern Ireland

7. Allegations of religious discrimination in Northern Ireland ~~is~~ frequently made on behalf of Nationalist, Republican and Roman Catholic interests are:

(i) that the electoral laws are unfair and that local authority electoral boundaries are gerrymandered to ensure Unionist control;

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- (ii) that Unionist local authorities allocate an unduly small proportion of houses to Roman Catholic families and manipulate their allocations to ensure Unionist majorities at local elections;
- (iii) that local authorities and other public bodies show favouritism towards Protestants in making appointments.

The Londonderry Demonstrations

8. The demonstrations in Londonderry on 5 and 6 October, which were followed by demonstrations in Belfast, were organised by the recently formed Civil Rights Association and were designed to protest against these grievances. The demonstrators also sought to draw attention to the Special Powers legislation in Northern Ireland, which dates from the period of unrest following partition and enables action to be taken against individuals and organisations by the executive without appeal to the Courts. The demonstration in Londonderry was led by two prominent Nationalist members at Stormont, Mr. McAteer, MP, and Mr. Austin Currie, MP, and a Republican Socialist, Mr. Fitt, MP.

9. On 6 October, in a speech at Kilkenny, Mr. Lynch said that he deplored the incidents in Derry on the previous day and expressed the hope that the root causes of such demonstrations would soon be eliminated so that people of different religious beliefs would be treated as equals and would be free to enjoy their lawful democratic rights. He expanded on this on a

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speech at Clonmel on 8 October. He then said that the people of Ireland, Mr. Wilson and Captain O'Neill knew what the root causes of demonstrations such as the one in Derry were. The first and foremost root cause was partition, and partition arose out of British policy. He went on to criticise gerrymandering and discrimination, which he said were methods necessary to maintain partition against the wishes of the majority. They could not be continued without the political and the huge financial support received from Britain. Mr. Lynch has since told the Dail that he proposes to raise the question of the root causes of the Londonderry disturbances when he sees Mr. Wilson.

10. The presence of Nationalist and Republican leaders at the demonstration in Londonderry and the comments of Mr. Lynch have unfortunately had the effect of hardening opinion in the North among the Unionists. Previously Captain O'Neill had had some success in his policy of improving community relations, and had twice defeated attempts to overthrow him by reactionary Unionists. He has also successfully held talks with Mr. Lemass, when Prime Minister of the Republic, and subsequently with Mr. Lynch. These talks have resulted in useful cooperation between North and South on a number of issues.

11. Captain O'Neill is coming to London on 4 November to discuss the situation with Mr. Wilson. It should thereafter be clearer what action can be taken to improve the situation.

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