

Memorandum by the Prime Minister

At our last Cabinet meeting we agreed to issue a statement supporting in a firm way the decisions of the Minister and the actions of the police in Londonderry. We also decided to ask Parliament to support us in this. I am sure we were right in these decisions, because our people resent the way some of these issues have been presented in the Press and T.V., and look to us to stand firmly behind the forces of law and order.

We all feel, I think, that firmness must be an essential aspect of our posture at this time.

But as I attempted to indicate at the last meeting, there are wider ramifications here which we cannot ignore. My colleagues know that there have been two meetings now with Harold Wilson. The Ministers of Commerce and Home Affairs know from personal experience the pressure we were under to justify some of our practices. We all know, too, that a strong section of left-wing opinion has been pressing Wilson very hard to take some positive step. Up to now he has fobbed off this pressure, from our point of view very well. With his many other headaches, our affairs have not been high up on his agenda. With Northern Ireland calm, and a general feeling that slow but steady progress was under way, he could contain the situation by references to our talks - though not without a veiled threat on occasions.

I would be failing in my duty if I did not make it clear to you that, in my view, Londonderry has dramatically altered this situation to our great disadvantage. Whether the Press and T.V. coverage was fair is immaterial. We have now become a focus of world opinion; indeed we know through official channels that the Embassy and B.I.S. in America have been under intense pressure from the American press.

Within the next month or so, we must face Harold Wilson again; as before, I would propose to take my two colleagues with me.

Now I ask my colleagues to be realists about the situation we are likely, indeed in my view, certain to face there. We shall be told that unless we can give a definite undertaking that we will introduce further reforms, H.M.G. will no longer be able to stand aloof from the situation.

I must ask Ministers to consider what we can expect if we are unable, or unwilling, to give such an assurance.

At our last meeting I itemised a number of the ways in which we are heavily dependent upon economic and financial support. Many of these - the Social Services Agreement, agricultural support, National Insurance arrangements, etc. - have a statutory basis, and could not be easily or swiftly set aside.

But in many other cases H.M.G. have a degree of discretion which they could easily use to our detriment. For let's face the fact - H.M.G. do not have to do something openly spectacular to make us feel the pinch; they merely have to be unwilling in the future to do any more exceptional things for us.

They have powers to help us to pay R.E.P. by a subvention ranging from 0% to 100%. This year we receive from London £10 million out of £11.5 million. It would be easy to take a different and much less generous decision next year. Economic and financial stringency could be invoked as a reason. Or again, the future of Short's is once more in the melting pot. H.M.G.

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could easily take a hard-nosed view. Again, the Minister of Agriculture is, I know, worried about the burden of the cost of imported feeding-stuffs upon the Ulster farmer, and is seeking special aid for this. That request could be turned down without any trouble. These are just examples to show how Whitehall controls a number of levers which it could pull without any great fuss or bother.

What if it is made clear to us that - in the absence of a promise of some movement here - sanctions such as these would follow? Some will say; we'll just have to tighten our belts and suffer it for the sake of our independence. But this is not the real choice. I just do not believe that London is prepared to cut us adrift financially and concern itself no more. On the contrary, in this situation I believe we would face at once such highly dangerous possibilities as a Royal Commission, or proposals to amend the 1920 Act.

In any case, as I have made clear before, such an action is a large step towards a U.D.I. attitude, which is wholly absurd in view of Ulster's geographical, military and economic position.

We have said for years: Ulster is British. If the decision now is to turn our backs on Britain and go our own way, it would be one difficult to defend as being in Northern Ireland's true interests.

This is the external position. But internally too, I think we must be seen to temper firmness with fairness. Of course there are anti-partition agitators prominently at work, but can any of us truthfully say in the confines of this room that the minority has no grievance calling for a remedy?

Believe me, I realise the appalling political difficulties we face. The first reaction of our own people to the antics of Fitt and Currie and the abuse of the world's Press is to retreat into old hard-line attitudes. But if this is all we can offer, we face a period when we govern Ulster by police power alone, against a background of mounting disorder. Are we ready, and would we be wise, to face up to this?

We must never set at risk the basic constitutional integrity of Northern Ireland. But the greatest threat to this is any tinkering with the 1920 Act - and to avert this, concessions in other directions could well be the wisest course. We would have a very hard job to sell such concessions to our people; but in this critical moment may this not be our duty? Things like the multiple vote at local government elections and the position of the Mater Hospital are not essential to maintain our position. And we may even in time have to make a bitter choice between losing Londonderry and losing Ulster.

I cannot urge too strongly upon my colleagues the seriousness with which I view this situation. If we take the wrong turning now, we may well risk rising disorder, encourage a U.D.I. mentality, or bring nearer a dreadfully dangerous review of our whole constitutional position. So the time has come for us as a Cabinet to make up our minds to start thinking seriously about these matters, and to weigh carefully the consequences of continuing on what I believe to be a collision course with the British Government. We will not, perhaps, be able to come to positive conclusions at one meeting, but I would hope that over the coming week or so we can get down to some hard discussions with a view to reaching definite decisions as to our future course

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of action. If we then decide to take what I believe to be the wise course, we must undertake together - every one of us - the difficult task of selling it to our supporters and to the country.

TERENCE O'NEILL

14th October, 1968.