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POL 1

FROM: PS/SECRETARY OF STATE
17 APRIL 1989

20 APR 1989
CIVIL SERVICE

SECRETARY OF STATE
18 APR 1989

- cc PS/SofS (B&L) - B
- PS/MofS (B&L) - B
- PS/Dr Mawhinney (B&L) - B
- PS/PUS (B&L) - B
- 1. PS/Sir K Bloomfield - B
- Mr Burns - B
- Mr Stephens - B
- Mr Miles - B
- Mr Knight - B
- Mr J McConnell - B
- Mr Daniell - B

2464
20 APR 1989

2. Mr Spence WJG

(3) PS Sir Kenneth

NOTE FOR THE RECORD

CONVERSATION WITH JOHN HUME MP

1. The Secretary of State met Mr Hume in the House of Commons on 6 April. The discussion centred on Mr Hume's recent US trip and issues affecting his Foyle constituency; these points were recorded in my note of 14 April. This note records some other points made by Mr Hume during the meeting. (The issue of both these notes has been delayed by my absence on sick leave last week.)

2. The additional points made at the meeting were as follows:-

- i. Mr Hume expressed some concern that the Conservative Party might, at the prompting of the North Down Model Conservative Association, agree to organise to a limited extent in Northern Ireland. This would be perceived as strengthening the British connection and would do nothing towards helping to "silence the guns". The Secretary of State demurred from this view. One of the main obstacles to political development in Northern Ireland was the entrenched and unimaginative leadership of the UUP. If the North Down

initiative brought into active political life some of the able and responsible people who were unwilling to join the UUP, that might be all for the good.

- ii. Mr Hume commented in passing that Dermot Gallagher was his main contact in the DFA; they were in touch fairly regularly.
- iii. The Secretary of State asked how the SDLP would fair in the local elections. Mr Hume said that he expected the Party to hold its own, although there was a problem in finding suitable candidates in areas where the Party was not particularly strong. In West Belfast a Protestant would be standing for the SDLP in the Upper Falls, but in the Lower Falls a good local candidate had had to withdraw because she was pregnant. West Belfast continued to be a problem because of the SDLP's historical lack of organisation there which was Gerry Fitt's legacy.
- iv. The SDLP was however about to mount a private opinion poll in nationalist areas (Fermanagh, Tyrone, West Belfast) to check on its profile before the elections. He would be having a meeting with Mori on the following day to work out the details.
- v. Mr Hume volunteered that he had met two people who claimed to have some influence with the UVF - Gusty Spence and another man named _____ - on the morning of Monday 3 April in a house in the Springfield Road. They had asked to see him to discuss some points in his Irish Times interview with Frank Millar, and had represented themselves as being anxious to stop the UVF campaign and to promote dialogue between nationalists and loyalists. Mr Hume had gone over the points made in his interview, explaining in particular the "double referendum" concept. The discussion had been positive

CONFIDENTIAL AND PERSONAL

and friendly and his two interlocutors had left saying that they would seek to influence Mr Molyneaux and Dr Paisley to take a more constructive and courageous approach to negotiations on political development.

- vi. Mr Hume commented in passing that the RUC had told him that his car was being watched while parked at Aldergrove Airport. They had offered him a secure parking place at the airport, which he had accepted.
- vii. Finally, Mr Hume commented that Gerry Adams had recently sent him a copy of a book he had produced. He had not yet had time to read it.

Signed

S J LEACH
Private Secretary

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JB/PROB/21794

C O N F I D E N T I A L

From: PS/Secretary of State
14 April 1989

354/4
13 APR 1989

cc PS/SofS(L&B)-B
PS/Mr Needham (L&B)-M
PS/Dr Mawhinney (L&B)-M
PS/Mr Viggers (L&B) - M
PS/PUS (L&B) - B 18/x
① PS/Sir K Bloomfield - B
Mr Burns - B
Mr Fell - B
Mr Murray - M
Mr Hopkins, IDB - M
Mr Miles - B
Mr Gowdy - DED - M
Mr Thomas - B
Mr Spence - B
Mr Blackwell - B
Mr J McConnell - B
Mr G McConnell - B
HMA Washington - via
FCO bag

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NOTE FOR THE RECORD

MEETING WITH JOHN HUME MP: 6 APRIL 1989

1. Mr Hume came to see the Secretary of State on 6 April to discuss the trip he had made to the USA in March. (Before the meeting the Secretary of State saw and appreciated the Embassy's report on this visit - Mr Cowper-Coles' letter of 20 March.)
2. Mr Hume said that the primary purpose of his trip to Boston and Washington had been to talk about the challenges of 1992, and to stress that after that date there would be great advantages for US corporations in having a European base. Northern Ireland had an enormous amount to offer as a base for manufacturing operations. Mr Hume had been accompanied in Boston by Sam Lord, a US businessman with considerable experience of investing and operating in Northern Ireland, and by John Ritchie, the IDB's US

C O N F I D E N T I A L

SL/SOFS/5496

C O N F I D E N T I A L

Director. (Mr Hume had particularly high praise for Mr Ritchie's performance and the use he had made of an excellent video film on Northern Ireland.) Mr Hume commented in passing that while in Boston he had met a number of Massachusetts trade union leaders who had been active in promoting MacBride legislation in that State. Mr Hume had stressed that MacBride was a damaging irrelevance in the Northern Ireland context and had urged them to visit the North to see the realities for themselves. They had taken him up on this and would accordingly be coming to see him in Derry on 19-20 April.

3. Mr Hume said that he had then moved on to Washington, where he had continued to push the point that the priority for Northern Ireland was new investment and jobs: there was no point in having state-of-the-art fair employment legislation if there was no employment in the first place. This message had registered with his audiences and his political friends in Washington - eg Senators Dodd and Kennedy and ex-Governor Carey - had agreed to set up a programme of meetings for him with Presidents of major US companies at which he could urge on them the benefits of investing in Northern Ireland. He would accordingly be making a further week-long visit to the US to undertake these meetings after the European elections. He would be most grateful if he could be supported at these meetings by the IDB (in the person of Mr Ritchie if possible) and by Miss McIver of BIS, who could supplement his own efforts with more detailed information. The Secretary of State said that this looked like a sensible idea which he would have pursued. [After the meeting the Secretary of State indicated that he would be content for Mr Ritchie and Miss McIver to support Mr Hume at these meetings, so long as there was a genuine programme of events aimed at stimulating good investment; he would not wish officials' time to be wasted in an enterprise which had not been properly organised. Officials should not of course support Mr Hume on any occasions which were predominantly party-political. ACTION: Mr Thomas to take forward please in liaison with IDB and the Washington Embassy].

C O N F I D E N T I A L

SL/SOFS/5496

C O N F I D E N T I A L

4. Mr Hume continued that one objective of his visit had been to seek to set up co-operative transatlantic schemes on the lines of the successful Boston-Derry-Galway (BDG) Venture. He was working on a similar linkage between the Newry/South Armagh and Pittsburgh areas, and had managed to interest the owner of the Pittsburgh Steelers Football Club. On the Boston-Derry-Galway Venture itself, Mr Hume said that there were continuing positive developments. McCarthy Brothers, a clothing firm in Bunrana in Donegal, had been able to increase their employment from 300 to 1500 in the last 18 months through a joint venture with Fruit of the Loom which had arisen through the BDG. He also thought there was great tourism potential in promoting Derry airport as the gateway to North West Ireland and was trying to involve Logan Air in developing this idea. In addition the International Fund had provided the resources for a chair in Information Technology at Magee University and he had (through Congressman Brian Donnelly) established links between this and MIT (which had substantial IT resources).

5. Turning to his own constituency, Mr Hume said that he was glad that Mr Needham had agreed to launch the 'Making Derry Work' programme. The Foyle constituency had the highest unemployment rate anywhere in the UK. Despite this, the Government seemed to place much more emphasis on aid to Belfast, with the figure of £55m always being quoted with no comparable figure given for the North West, which over the years had been starved of investment. (Indeed, some of his constituents had remarked to him that Derry was taken for granted because it had a SDLP MP; they would be better off to follow the example of West Belfast and elect a Sinn Feiner.)

6. In reply, the Secretary of State said that Derry was certainly not being neglected; the Government had established a well-planned and effective programme for Belfast and he now intended to do the same for the North

C O N F I D E N T I A L

SL/SOFS/5496

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West. A number of Civil Service jobs were being relocated there; there were good prospects for major commercial developments, (including the possible establishment of a Marks & Spencer store near the Guildhall, although negotiations for this were at a delicate stage and it was important not to prejudice them by premature publicity); and the recent decision to introduce high-capacity fibre optic cabling throughout the North was an important development which would bring a large number of "back office" jobs for major corporations into Derry's reach.

7. Mr Hume said that these were indeed encouraging developments. Derry was ready to make social and economic strides: the atmosphere in the city was good and the polarisation between the City side and Waterside was now a thing of the past.

8. Finally, Mr Hume said that he hoped the Secretary of State would visit Derry in the near future at his invitation. He would aim to organise a meeting which would include a representative cross-section of opinion in the city: including the two Bishops, the Lord Mayor, the Chairman of the Chambers of Commerce & Trade, Mr Colm Geary and Mr Guy, the former Mayor. (To avoid an overly partisan atmosphere he would not intend to include the Council as such.) The Secretary of State said that, subject to final consideration of the details, this seemed a very worthwhile proposal. It was certainly his intention to visit Derry in the near future. [ACTION: Mr Spence to take forward please in liaison with Private Office.]

9. Some additional points made during the meeting are recorded separately. I regret that the issue of this note has been delayed by my absence on sick leave.

[signed]

S J LEACH
Private Secretary
14 April 1989

C O N F I D E N T I A L

SL/SOFS/5496