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FROM D J R HILL
CPL DIVISION
29 JUNE 1990



cc PS/Minister of State (L&B) - B
PS/Dr Mawhinney (L&B) - B
PS/PUS (L&B) - B
1. PS/Sir K Bloomfield - B
Mr Burns c/o Mr Ledlie - B
Mr Ledlie - B
Mr Thomas c/o Mr Ledlie - B
Mr Alston - B
Mr A P Wilson - B
Mr Spence - B
Mr Wood (L&B) - B
Mr Hill c/o Mr J McConnell - B
Mr Blackwell - B
Mr J McConnell - B
Mr Dodds - B
Mr Bell - B
Mr Daniell - B
Mr F G McConnell - B
Dr Donnelly
Mr Appleyard, Cabinet Office
Mr Gowan, Cabinet Office
Mr Broomfield, FCO
Mr George, RID, FCO - B
HMA Dublin (MARCRYP via SIL) - B
Mr Robert Gordon, Scottish Office

PS/SECRETARY OF STATE (L&B) - B

POLITICAL DEVELOPMENT: STATEMENT

I attach for the Secretary of State's consideration a revised and expanded version of the draft speech which he might make in opening next Thursday's renewal debate. This version, with some very minor amendments, overtakes the version given to you and some copy recipients last night.

2. It takes some account of yesterday's meeting with Mr Collins and assumes we will get a positive response from the Irish by the weekend.

3. We have made an attempt to indicate the function and derivation of the various passages in the draft, and to draw attention to the forms of words which have been discussed with others by putting them in bold type. I hope this proves helpful.

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4. Subject to developments between now and Monday, I imagine that the Secretary of State will wish to consider circulating a version of this text to colleagues under cover of a minute to the Prime Minister. I shall submit a draft minute once we have the Irish reaction to yesterday's meeting.

(SIGNED) David Hill

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29 June 1990

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DIRECT RULE DEBATE

DRAFT OPENING SPEECH

1. I beg to move,

That the draft Northern Ireland Act 1974 (Interim Period Extension) Order 1989, which was laid before the House on 20 June be approved.

Introduction

2. Mr Speaker, this draft Order renews the temporary Provisions in the Northern Ireland Act 1974, under which government by Direct Rule continues in Northern Ireland. In presenting the draft Order to the House, I owe the House both an account of the Government's stewardship in Northern Ireland over the last year, and an assessment of the prospects that these temporary arrangements can be set aside in favour of more permanent arrangements for the government of Northern Ireland.

3. As regards the Government's stewardship, our overriding aim is to provide good government for Northern Ireland. Given the challenges it faces, that requires a combination of policies designed to bring peace, stability and prosperity.

Security policy

4. In their dreadful acts of terrorism, not only in Northern Ireland and Great Britain but also further afield, the terrorists no doubt plan to break down the resolve of the

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British Parliament and people. Let me tell them that they are making an enormous mistake. Whatever else they may understand, they are very far from understanding the temper of the British people if they believe that the rights of fellow-citizens will be abandoned and the cause of democracy surrendered in the face of terrorist acts. And those acts will never change the determination of Unionists to remain British. It will continue to be the first priority of Government to eradicate terrorism in Northern Ireland. All our policies for Northern Ireland are intended to contribute to, or be consistent with, that objective; but effective action by the security forces against terrorists will continue to be the key factor. The police and the Army know that they have the wholehearted support of Government as they courageously carry out what is, every day of the week, a horrendously difficult and dangerous task. The whole House will wish to join me in paying tribute to their courage and determination. We intend to ensure that the security forces have the necessary resources - both physical and legal - for their essential work. Terrorism will continue to be dealt with by firm and effective action within the law. We remain ready to strengthen this further if necessary. We shall shortly be looking at Lord Colville's review of existing anti-terrorist legislation as a preliminary to bringing forward legislation to replace the present Emergency Provisions Acts before

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they expire in 1992. Where there is a demonstrable need for new powers, I will not hesitate to ask this House to approve them.

Economic policy

5. Despite the efforts of the terrorists to bomb jobs away, there has been valuable progress too on the economic front. We have been honest about the Northern Ireland economy's structural weaknesses in our new economic development strategy, 'Competing in the 1990s'. We have set out there our belief that, if Northern Ireland is to make its way in the Europe of the Single Market, its industry must become more competitive, its labour force more skilled, its culture more imbued with the spirit of enterprise. This will require much effort on the part of individuals and the private sector; though Government will help, the drive must come from outside. I am happy to say that in the last year, there have been many hopeful signs of Northern Ireland's ability to bring off such a transformation in its economy. Unemployment is at its lowest point for over six years, though at 14% it is not any sense at an acceptable level. There have been many individual success stories in Northern Ireland's domestic industry and I am particularly encouraged by the buoyancy of the small firms sector. LEDU, the Local Enterprise Development Unit has just announced its most successful year ever having promoted almost 6000 jobs.

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Social policy

6. In the social field, our aim is, through fair and effective government, to tackle the underlying problems of division and disadvantage in Northern Ireland. We have shown through the introduction of stronger legislation our determination to ensure fair employment. We shall be studying closely the recommendations of the recent report of the Standing Advisory Commission on Human Rights on discrimination. We have taken a number of measures, including the Making Belfast Work initiative, designed to achieve real and lasting improvement in conditions in the most disadvantaged areas. We are addressing with renewed vigour and, I believe, success, the underlying community relations problems through encouraging greater cross-community relations and co-operation and fostering respect for the different cultural traditions.

Direct rule has drawbacks

Echo of Methody
speech, 6 December
1989.

7. Indeed, all our policies should work together with the double aim of providing good government as an end in itself and of undermining terrorism by demonstrating that it is futile as well as evil, and that constitutional means are available to remedy grievances or perceived grievances. While I hope our efforts bring success, and deserve widespread support, I am conscious that they have inevitable shortcomings. Even if, in practice, we get things right - and that is for others to judge - there is a drawback in principle about the administration of Northern Ireland being the responsibility of politicians who, without exception, are not

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locally elected. But before I turn to our efforts to address that issue I want to deal briefly with the constitutional issue.

Constitutional position

To deal with McGimpsey, and also with Unionists' desire that the talks should strengthen the Union.

8. Although the constitutional question has often seemed central to matters in Northern Ireland I turn to it now in the hope of putting it to one side. We regard the position as clear. Northern Ireland is part of the United Kingdom in national and international law. It is part of the United Kingdom because that is the clear wish of the majority of the people of Northern Ireland. There will be no change in the status of Northern Ireland unless and until a majority of the people there want it. That seems unlikely for the foreseeable future. I believe that many in this House, and I number myself among them, would wish to see the union continue, but the principles of democracy and self-determination mean that the people of Northern Ireland must themselves be the final arbiters.

9. By virtue of its Constitution the Republic of Ireland has since 1937 also claimed sovereignty over Northern Ireland. We do not accept or recognise that claim, which has no basis in our law or, equally important, in international law. This claim is, I know, a source of consternation to some in Northern Ireland, and indeed in other parts of this country. I do not myself regard it as helpful. Nor, however, do I believe it should be a major

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preoccupation - for this reason. The Republic of Ireland has accepted, through the Anglo-Irish Agreement, that the status of Northern Ireland could be changed only with the consent of a majority of its people. It has, in short, through this binding international treaty, also supported the right of the people of Northern Ireland to self-determination. The Agreement also enshrines the Irish Government's support for our policy of establishing devolved institutions of government on a basis which would secure widespread acceptance throughout the community.

Status of Agreement
Commitment to the
Agreement, but changes
are not ruled out.

10. Meanwhile, under the Direct Rule system we have now, I have found the framework for Anglo-Irish relations provided by the Agreement valuable. Both the Agreement and its working have demonstrated the desire of the two Governments to have a close and friendly relationship, and to tackle the reality of different cultural, historical and religious traditions in Northern Ireland. It has also provided a framework for co-operation on a range of practical matters: cross-border security, extradition, and North/South co-operation on economic and social matters. The need for, and the value of, a sound working relationship on such issues must, I think, be self-evident.

11. But there is no reason why the present Agreement should be the last word. While neither Government is seeking a new Agreement, if a better agreement, which

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commanded widespread support on both sides of the community in Northern Ireland, were to be arrived at, that would prove to be an important step forward.

Precondition One

Repeats earlier formulations on the issue of "willingness to consider an alternative". Bangor speech. Taoiseach's statement of 22 January. Letter of 4 May to the Unionist leaders.

12. I said on 9 January that any agreement between the constitutional political parties on new arrangements for exercising political power in Northern Ireland would have substantial implications for the Anglo-Irish Agreement and that both Governments would be bound to consider those implications seriously and sympathetically. The Taoiseach also made clear later that month that "if ... a new and more broadly-based agreement can be reached by direct discussions and negotiations between all the parties involved, the Irish Government would be prepared to contemplate, in agreement with the British Government, a new and better structure, agreement or arrangement, to transcend the existing one". I can confirm that, in the context of discussions about possible future arrangements for the government of Northern Ireland, we would give serious consideration to any implications for the Agreement which such arrangements might have, and we would also consider any proposal (including any proposal for an alternative to the Agreement) which would advance the underlying objectives of achieving peace, stability and reconciliation.

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Cas for Devolution
Justification of
Government's policy.
Democratic shortfall,
and its effects. Two
identities can best be
reconciled in devolved
context.

13. In this Debate a year ago my predecessor explained that there was one area where progress had been virtually non-existent - in the political arena. He was perhaps less than fair to himself. He made great efforts to explore the scope for political progress towards an accommodation which might be reflected in the re-establishment of devolved instruments of government. Certainly in my own efforts to carry this process forward I have been conscious of building on the sound foundations he laid down.

14. There are a number of reasons for continuing this search. Quite apart from the long history of devolved institutions in Northern Ireland, and the need to find means of recognising Northern Ireland's distinct local interests and needs, there are two important reasons of principle. First, the present arrangements, under which local government has only the most modest powers, while the regional government has been absorbed into the machinery of central government, mean that there is no effective vehicle for local democracy in Northern Ireland. There is a gap in democratic accountability which this House cannot contemplate with equanimity.

15. Without devolution, elected representatives in Northern Ireland are left with little opportunity to influence the decisions of Government or to exercise powers which are available to politicians

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elsewhere in the United Kingdom or in the Republic of Ireland. This lack of involvement is widely and increasingly resented on both sides of the community; it discourages capable people from seeking political office; and it causes a local power vacuum which terrorists and their supporters attempt to exploit to their advantage.

16. Second, and most crucial to the future of Northern Ireland, and for those of us who share the agonies which that community is facing, the best hope of reconciliation between the two sides of the community is to be found in the achievement and maintenance of a local political accommodation. It is the existence in Northern Ireland of the two traditions and the two identities, one looking, as it is free to do, to another jurisdiction to the South with which it feels cultural and other affinities, which above all distinguishes its situation from that of other parts of this country. It is this which suggests that a distinct approach is needed, whatever the constitutional arrangements made for England, Scotland or Wales. Though the constitutional position, as I have explained, is clear, the internal and external dimensions cannot be wholly separated.

The current round of discussions

Tributes for progress made. Objectives of current round.

17. I am glad therefore to be able to report to the House that during the past year some modest but invaluable progress has been made towards the goal of new, democratically accountable, political institutions. In the

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last few months I have had lengthy discussions with the Irish Government, with representatives of the constitutional parties in Northern Ireland, with spokesmen for other parties in the House, and indeed with a wide range of well-intentioned and well-informed people in all parts of these Islands. I have been greatly encouraged by the co-operative and constructive spirit I have encountered, and by the evident willingness to work to find a way through the difficulties. I have also been gratified by the discretion my interlocutors have shown; and for the patience of this House, since it is important to the building of confidence that such discussions must take place on a confidential basis.

18. So far our discussions have been, for the most part, on preliminary issues: how can talks begin, how should they be organised, within what timetable and on what agenda? These matters are important, since it is essential that if talks are held the participants should have a clear understanding of what is involved, and that all participants should enter them on a basis of mutual respect without any sacrifice of important interests or essential principles. They must, in short, be held on the basis of parity of esteem.

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Government's position
Balanced appeal to
Unionists and
Nationalists, and
rebuttal of Republican
analysis. Criteria
for internal
settlement (taken from
Bangor speech).

19. But let me briefly explain the Government's own position in these matters. We wish to safeguard the constitutional guarantees which I have earlier described, and to ensure that the future of Northern Ireland is determined by the free will, without intimidation, of the people there. Second, we wish to establish arrangements for government which give full rein to the interests of all the people of Northern Ireland, and which safeguard both traditions and provide for the full expression of both identities. Beyond this, the Government has no separate strategic interests. Our overwhelming concern is for the people of Northern Ireland, and those who think we have some other interest at stake mistake not only our sense of responsibility for our own citizens, but also our determination to ensure that their rights, the rights of all of them, are respected and preserved.

20. As I have already said, we seek institutions of government in Northern Ireland which will be directly accountable to all its people, and to which they can all give their wholehearted commitment and support. We do not pre-judge the detailed form that such political arrangements should take. The local politicians who are expected to work them must help to create them. Our broad criteria for endorsing any particular system are that it should be workable, and likely to prove stable and durable; and that it

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must command widespread support and provide an appropriate and fair role for both sides of the community. It seems likely in practice that the best hope of this lies through a devolved Province-wide administration and legislature, though the Government will look seriously at any proposal that is workable and could achieve widespread support.

Unitary nature of
talks process

The three strands.

The first strand:
internal talks.

Reference to

Unionists' "fourth
relationship"

(Belfast-London), and

fact that Irish

involvement will be

indirect, as specified
by Article 4(c) of the
Agreement.

21. The discussions I have had over the last six months have led me, and equally important, have I believe led the other potential participants to believe that there may now be a basis on which political talks can be held. As I have mentioned, it is clear that the talks will need to embrace the main relationships and will accordingly have different strands. The first strand would involve the Government and the main constitutional political parties in Northern Ireland, and its objective would be to reach agreement on new arrangements for the government of Northern Ireland, within the UK, which would lead to the transfer of political power, authority and responsibility to locally elected representatives in Northern Ireland on a basis which was widely acceptable. It will need to deal too with the relationship between the new institutions in Northern Ireland on the one hand and Westminster on the other. The Irish Government would not be directly represented in these talks, though we would certainly wish to take account of any views and proposals which they wish to put forward.

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The second and third strands. North/South talks: wording as agreed with the Unionists.

22. From all points of view, it is however important that the process of talks and negotiation should also cover the relationships between Northern Ireland and the Republic of Ireland, and the implications for the relationship between the United Kingdom and the Republic of Ireland. As regards Unionist attitudes on the first of these, the rt hon member for Lagan Valley and the hon member for Antrim North will be able to give their own views. But I can tell the House that I know, from my discussions with them, that they share with me the recognition that the implementation of any negotiated agreement between the Northern Ireland parties on arrangements for the government of Northern Ireland would be [greatly] strengthened if agreement were also reached on the relationship between any new Northern Ireland administration and the Irish Government. This will require direct discussions between the representatives of Northern Ireland political parties, including the Unionist parties as members of the UK team, and the Irish Government, and we would envisage a meeting to open such discussions as soon as substantial progress had been made in inter-party talks on arrangements for the government of Northern Ireland.

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Nor/South talks:
working broached with
Irish and SDLP to
cover timing point.
Commitment to discuss
future timetable at
first plenary.

23. Indeed it is because the Northern Ireland parties all look, as I do, to address each of the three relationships that the talks I have described will necessarily involve discussions between the Northern Ireland parties; discussions between the Northern Ireland parties, [including the Unionist parties as members of the UK team,] and the Government of the Republic of Ireland; and discussions between the two Governments about relations between the UK and the Irish Republic, including any implications for the Anglo-Irish Agreement. These discussions may not necessarily start at the same time. But as real progress is made on inter-party talks (which I expect to be intensive), and in order to reach a conclusion that will address all three of the underlying relationships, it will be both necessary and important to get all three sets of discussions under way within weeks of each other. With this in mind, I would intend, at an early stage in the proposed inter-party talks, to invite the parties to consider the future timetable of the talks process.

Agenda of the talks:
based on previous PQ
replies.

24. It is common ground that the simultaneous resolution of such talks would need to comprehend the transfer of power to locally accountable political institutions, the relationship between such institutions and the Irish Government and the implications for the relationship between the British and Irish Governments. Clearly, no agreement on any one aspect could be

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reached unless and until all parties were satisfied with the totality of what might emerge from the dialogue.

Next Steps

Tributes.
Ground-clearing.
Pre-gap IGC. Gap in
IGC meetings
(precondition two).
The operation of the
Secretariat
(precondition three).

25. The last six months have seen valuable movement, which has demonstrated real potential for progress. I frankly acknowledge to the House that this progress would not have been possible without the imaginative and statesmanlike attitudes of the Northern Ireland parties, and the helpful and constructive approach of the Irish Government. I would like to set out where I think we can go as a result of the progress made so far, and to give you some idea of the specific tasks which I intend to carry forward over the next few weeks.

26. The immediate next steps will be for me and my officials to hold further meetings over the Summer to finalise common understandings of the agenda and the administrative arrangements for such talks.

27. The Government will then, in consultation with the Irish Government, settle the dates of the Conferences for the rest of the year. **This will assist the orderly planning and conduct of Conference business.** But it is likely that there will be an interval of some months between two specific Conference meetings, and we will have in mind the opportunity that this would provide for political dialogue.

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28. As the Conference will not be meeting between the specified dates, the Secretariat at Maryfield will accordingly not be required for that period to discharge its normal role of servicing Conference meetings provided for in Article 3 of the Agreement.

29. At that point I would expect to chair a round of formal bilateral meetings with the main constitutional parties in Northern Ireland, in order to ensure that all were satisfied with the agenda and other arrangements. If so, I would then convene a plenary meeting of those parties, on the understanding that inter-party talks could get under way. As I have already explained, the commitment shown by the potential participants suggests to me that progress will be sufficiently rapid to require the launch of the other strands of discussion within a very few weeks of that point.

Conclusion

Need for caution.
Grounds for hope.
Progress so far has
been beneficial.

30. Throughout this process I have expressed myself in cautious terms. It is wrong to raise false expectations when the issues, as is so well known, are difficult. But I have been greatly impressed by the spirit which I have encountered among those to whom I have talked. If agreement on the triple strands could be achieved we would stand at the threshold of a new Agreement, and a new beginning for relationships between both parts of Ireland, and between the Republic and the United Kingdom. There is, in short, a real prospect for developing a new atmosphere of trust and cooperation between Nationalists and Unionists.

*Leads me to hope & expect that progress will be
off of dispute & fear to the point of
discussion by both as things stand*

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31. This point will not be easily reached. The issues to be resolved are difficult, complex, and long standing. It is also clear that trust will have to be built up between all sides. Nonetheless, I feel that the parties do want to move forward; we have come a considerable distance already, and this is due, as I have said, to the constructive and positive approach of all involved. It is vitally important that any talks should begin without the essential interests of any party being compromised and on the basis of mutual respect and esteem. And that must be maintained as such talks proceed.

32. I cannot say at present what the outcome of this process might be. But even if it proves impossible to move to formal talks as a result of the current discussions, I believe that progress has occurred. There is a clearer understanding of positions and responsibilities, and it may prove possible to resume the process at a later stage. In the long term, dialogue is the only conceivable way in which a solution to the problems which beset Northern Ireland can be found. For the views of those who use violence count for nothing while blood is their argument.

Request to the House

33. I thank hon members for the patience

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with which they have listened to my speech today. It is natural that they should wish to probe certain aspects of what I have said, and to analyse others. But I think they will have some understanding of my position if I ask them to exercise caution in their examination of the points I have made. The tone and content of what I have said have been carefully judged, and I would ask hon members to bear that in mind when making their comments. I have today given what I hope is a report on work in progress - it is my belief that all the people of Northern Ireland would wish to see that work carried forward to a successful and satisfactory conclusion.

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