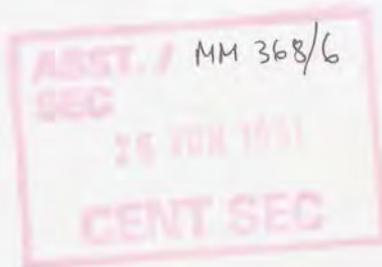


FROM: D A HILL
ESL DIVISION
26 JUNE 1991



cc. (without briefing folder)

PS/Paymaster General (B)	- B
PS/SofS (L&B)	- B
PS/MofS (L&B)	- B
PS/PUS (L&B)	- B
PS/Mr Fell	- B
Mr Pilling	- B
Mr Ledlie	- B
Mr Alston	- B
Mr Steele	- B
Mr A Wilson	- B
Mr Thomas (L&B)	- B
Mr M Maxwell	- B
Mr Cooke	- B
Mr D J R Hill (L&B)	- B
Mr Masefield	- B
Mr Wood (L&B)	- B
Mr Margetts	- B

Mr Angley
Mr Down

PS/PAYMASTER GENERAL (L) - B

NI ACT 1974 (INTERIM PERIOD EXTENSION) ORDER 1991

I attach below a draft speech and background briefing for the Renewal Debate in the Lords on Monday 1 July. The speech is based on that prepared for the Commons debate but has additional material on current educational and prison matters to reflect the Paymaster General's Ministerial responsibilities.

2. The full Hansard record of the Commons debate is attached inside the front cover of the briefing folder.
3. Winding-up material and any updating required to the briefing material will be supplied on Friday 28 June.

Signed:

D A HILL
Economic & Social Division
OAB Extn 6495

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DIRECT RULE RENEWAL DEBATE

PAYMASTER GENERAL'S OPENING SPEECH

I beg to move,

That the draft Northern Ireland Act 1974 (Interim Period Extension) order 1991, which was laid before the House on 3 June, be approved.

2. My Lords, 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 an account of the Government's stewardship in Northern Ireland over the past year, including the progress made in seeking a way to end the need for direct rule and to return a wide degree of responsibility there to local elected representatives for their own affairs. My account must, for reasons of brevity, be restricted to a small number of topics. Noble Lords will, I hope, understand that my failure to mention topics does not imply that we regard them as unimportant.

3. I should first like to turn to the security situation in Northern Ireland and describe what HM Government and the security forces are doing in order to bring terrorism to an end. The security situation regrettably continues to bring death and suffering to the people of Northern Ireland. Last year 76 people were killed and this year to date [38]. However, the terrorists

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will not succeed because of the resolve of the majority of decent people in Northern Ireland and because of the Government's determination to maintain the rule of law. Once again I would like to take this opportunity to pay a special tribute to the security forces who, with continuing courage and professionalism, face the unremitting threat to their lives in order to protect the people of Northern Ireland. These men and women deserve the support of everyone in the Province particularly now when terrorists wish to disrupt the efforts being made to achieve political progress.

4. The Government will do all in its power to assist and support the security forces. The current Northern Ireland (Emergency Provisions) Bill, which was recently debated in this House, brings together all the anti-terrorism provisions which apply uniquely to Northern Ireland into one piece of legislation. In addition to re-enacting the main emergency powers, as my noble friend Lord Colville of Culross recommended, the Bill creates a number of new offences and additional powers which will materially assist in the defeat of terrorism. We must, however, strike the right balance between providing the legal means needed in order to protect the community effectively and at the same time providing appropriate safeguards for individuals. For that reason, my Lords, you will recall that the Bill provides for statutory codes of practice on the exercise of its powers, and creates the new office of Independent Assessor of Armed Forces Complaints Procedures in Northern Ireland to help enhance public confidence in the way non-criminal complaints against soldiers are dealt with.

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5. The Government also remains determined to build on the progress which has been achieved with the Irish Government on security co-operation. Much has been achieved since 1985, but more needs to be done if both Governments are to defeat the terrorist threat to the entire island of Ireland.

6. Before leaving security related issues, I would like to say a word about a development in the Prison Service which of course has to deal with convicted terrorists. That development will I believe be of significance for the future of the Service. During the past 12 months, the Prison Service engaged in a major consultation exercise involving staff at all levels and representatives of groups with a particular interest in prisons and prison issues. This resulted in the production of a new strategic plan which I was pleased to launch on Friday last.

7. While acknowledging that its primary function is to protect the community from those who are judged to have offended against it, the Service recognises the need to balance security with humanity of treatment and the need to prepare prisoners for return to the community.

8. There are no radically new penal initiatives. Rather the plan consolidates and builds on the significant progress which the Service has made in the past few years and the title of the document - "Serving the Community" - establishes clearly the wider context within which the Service will work to the end of the century.

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9. I would now like to turn to economic matters, not least because economic development is an important factor in promoting a stable society. Northern Ireland's economic performance is closely bound up with that of the national economy and inevitably the Province has recently begun to feel the effects of the national recession. But the local economy has so far held up comparatively well. Output of Northern Ireland's manufacturing industries in the fourth quarter of 1990 remained at the same level as in the fourth quarter of 1989 despite a fall in output within the UK as a whole of 3% during that same period. Unemployment has risen over the last six months and most recently available figures show it stands at 99,400 or 13.7% of the workforce. But this is still about 26,000 below the peak rate in October 1986, and it has risen significantly more slowly than in Great Britain.

10. Northern Ireland continues to attract interest as an industrial location. An increasing number of jobs will be created - almost 1400 - by organisations which are transferring or are in the process of locating 'back office' work to Northern Ireland. These include Government Departments and private bodies such as British Airways, Prudential Assurance and BIS Beecom.

11. The Government is also concerned to develop the competitiveness of Northern Ireland industry. This will be a key factor in the 1990's. A strategy to assist the development of competitiveness in Northern Ireland was launched last year. It is particularly directed at helping industry to overcome barriers to competitiveness and growth which stem from inefficiencies in the markets for capital,

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labour and information and which companies cannot surmount by their own efforts. On the basis of this strategy the Industrial Development Board (IDB) will work with the private sector to maximise growth. Training will be an important component. Northern Ireland already has a strong asset in its workforce. But we need to improve the job-related training and the skills and versatility of the Northern Ireland workforce if productivity levels are to become competitive in a wider range of international markets. The Training and Employment Agency is addressing these problems as its priority.

12. I have direct Ministerial responsibility for education services in Northern Ireland and these have a key role to play in ensuring that young people are able to make their full contribution to economic growth. Education standards in Northern Ireland are commendably high. A-level results are better than those in England and Wales and a higher percentage of Northern Ireland pupils achieve good GCSE results. An unacceptably higher proportion of school leavers in the past have left with no qualifications but this gap has closed significantly. Some 54% of 16-17-year-olds remain in full-time education - either continuing their studies at school or moving on to Further Education colleges. This compares favourably with around 47% in England and Wales.

13. The programme of education reforms is now building on this firm foundation of success to improve further standards in schools. The Northern Ireland common curriculum arrangements will ensure that all pupils from 5-16 have a broad and balanced curriculum which includes science and technology. There must, however, be clear routes of

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progression to post-16 opportunities whether they are in schools, colleges or recognised training organisations. I will be bringing forward proposals later in the Summer aimed specifically at curricular provision for the 14-19 age group.

14. Further Education Colleges also have an important role to play. Following extensive consultation, I have recently issued a major document on the future of the Further Education service. This sets out clearly the Government's aims and objectives for the further education service in Northern Ireland - increased participation, improved quality and higher standards of attainment, greater responsiveness and more cost-effectiveness - and indicates how we feel these can best be achieved. We now have a framework for the development of a further education service which is responsive, effective and efficient and which will meet the needs of Northern Ireland well into the 21st Century.

15. Before I leave education I should mention a recent Report, commissioned by the Standing Advisory Commission on Human Rights, on the financing of schools in Northern Ireland, because of the concern it raises that Catholic schools may not be as favourably treated as others. The Report recommends that the capital grant rates of 85% for voluntary school building should be reviewed. Voluntary schools include all Catholic schools. They differ from fully financed or controlled schools, which are largely Protestant, in that trustees have majority representation on school Boards of Governors. The basis for a review of these financial arrangements is under discussion with the Catholic Church authorities. The report also

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recommends that the Department of Education should monitor the impact of its policies on the different sections of the educational system. The Government is fully committed within the Targeting Social Need initiative to the task of monitoring the impact of the Government's policies and programmes, including the funding of capital grants for schools.

16. Prosperity must be shared by all and the Government is committed to eradicating inequality and disadvantage wherever it exists in Northern Ireland. Earlier this year my rt hon Friend the Secretary of State announced that Targeting Social Need would become one of the Government's principal priorities for Government expenditure in Northern Ireland. This effort will play a significant role in removing the community divisions which are one of the obstacles to establishing a peaceful and stable environment in Northern Ireland.

17. In practical terms, last April my rt hon Friend the Secretary of State for Northern Ireland announced that the level of funding for Making Belfast Work - a major initiative which we launched in 1988 - had been increased by 22% to £27.5 million in this financial year. The total allocated to the project over six years will be £123.6 million. This funding is additional to the extensive resources which Northern Ireland Departments continue to put into these areas through their normal mainline programmes such as economic development, health and education.

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18. Financial support for Government is only one aspect of the road to recovery in disadvantaged areas. We are encouraged by the examples we have seen of local groups working closely together and in partnership with Government. Communities are assuming direct responsibility over the important areas of employment, enterprise generation and training.

19. The programme of community relations work undertaken by the Central Community Relations Unit and the Department of Education for which I am responsible is another example of our commitment to tackle Northern Ireland's problems. The Government has increased support for community relations from £4m last year to £5.5m in this financial year for projects designed to create equality of opportunity and equity of treatment for all parts of the community, to promote cross-community contact and to increase mutual respect and understanding of the different cultures and traditions in Northern Ireland.

20. These policies and many other practical measures will, over time, I believe help both ensure Northern Ireland's prosperity and reduce community divisions.

21. I should now like to turn to the issue of political development. As noble Lords will be aware, my Right Honourable friend the Secretary of State has been engaged in consultations with the four main constitutional parties in Northern Ireland, and the Irish Government, for some 18 months. These consultations came to fruition on 26 March when, in a statement agreed with all the

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participants, the Secretary of State announced that a basis for formal talks had been found. Following that statement there was a further round of bilateral discussions with the four parties to clarify certain procedural issues, and plenary discussions then got under way a fortnight ago today, on Monday 17 June. I am sure your Lordships will join me in welcoming this important development. It would be premature at this stage to start making exaggerated claims about what has so far been achieved but none of us can dispute that the mere fact that, for the first time in 16 years, the main parties in Northern Ireland have come together around the same table to discuss their common future, represents an important step forward.

22. I do not wish to take up too much of your Lordships time by rehearsing here the full details of the background against which the talks are taking place. You will appreciate that it would not, in any case, be appropriate for me to go into the detail of discussions. It may be useful, however, if I remind your Lordships that these talks take place on a basis of a very wide agenda. It has been accepted by all the participants that they must focus on three main relationships: those within Northern Ireland, those among the people of the island of Ireland and finally, between the two Governments. It is thus envisaged that the talks will take place in three strands corresponding respectively to those three relationships. Strand One, which is already under way under the chairmanship of my Right Honourable friend, is focusing on relationships within Northern Ireland, including the relationship between any local administration and the Westminster Parliament. It involves the four main Northern Ireland parties. The next strand,

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Strand Two, will also involve the Irish Government and will focus on relationships among the people of the island of Ireland. It will take place under the chairmanship of Sir Ninian Stephen, an eminent Australian with a distinguished history of public service in that country, including as Governor General. Strand Three will consider issues of relevance between the two Governments.

23. As I have said, the agenda is intentionally a very broad one. In order to ensure that the issues receive a full airing, it is also open to each of the parties to raise any aspect of the three relationships, including constitutional issues or any other matters which they consider relevant. The whole process is underpinned by an agreement that nothing will be finally agreed in any strand until everything is agreed in the talks as a whole.

24. It is against that background, noble Lords, that plenary meetings in Strand One have been taking place over the last two weeks. As I have said, I do not think it would be appropriate for me to go into the detail of what is being said in those discussions but I can assure your Lordships that substantive work is being conducted. Despite the ups and downs which seem to be so well documented in the press and media, work is continuing and all the participants remain fully engaged in the process. It will be self-evident that, although it has taken an immense effort on the part of all concerned to reach the current stage, much hard work remains to be done. It is certainly far too early to start predicting what the possible outcome might be. The Government's main preoccupation will be to continue to work towards consensus in

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the hope that agreement will emerge. Overall the Government has committed itself to seeking to identify institutions and arrangements which will reflect and promote the further development of good relations within Northern Ireland, among the people of Ireland, and between the two Governments. We stand ready to give serious consideration to any proposal which might emerge from the talks which would involve - within a wider framework of stable relationships - new political arrangements in Northern Ireland, provided they were workable, stable and durable, would command widespread support, and would provide an appropriate and fair role for both sides of the community. In tandem with that objective, we shall be seeking to ensure that the constitutional rights of both sides of the community continue to be protected.

25. Noble Lords, I have said that it is too soon to start making predictions about what the eventual outcome of these talks is likely to be. It is the Government's belief that they do hold out the best prospect for a very long time of making substantial progress in Northern Ireland. In the meantime, the Government must continue to function and the present arrangements for direct rule must be renewed. The Order before Your Lordships for approval is therefore essential and I commend it to the House.