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From: PS/Secretary of State (B)
17 February 1994

- cc PS/SofS (B&L) - B
- PS/Michael Ancram (DENI, B&L) - B
- PS/Sir J Wheeler (DFP, B&L) - B
- PS/Baroness Denton (DHSS, DANI&L) - B
- PS/Mr Smith (DOE, DED&L) - B
- PS/PUS (B&L) - B
- PS/Mr Fell - B
- NI Perm Secs
- Mr Watkins - B
- Mr Williams - B
- Mr Bell - B
- Mr Wood (B&L) - B
- Mr Gibson, DED
- Mr Maccabe - B
- Mr Brooker - B
- Mr Canavan - B
- Mr Gamble, DED
- Mr Millar - B
- Mr P May - B
- Mrs Kenny
- Mr Caine - B

MRS Godfrey
MR Buchanan

I didn't get to me !!
Mr Tephritis
Mr Lanley
Final version - for file(s) re. AM
18/2/94

M T H Maxwell - B

OMAGH ROTARY CLUB: WEDNESDAY 16 FEBRUARY 1994

The Secretary of State was very grateful for the speech prepared for Omagh Rotary Club and for the many contributions from around the office. He delivered this yesterday and a copy is attached. There was little deviation from the script, except on occasion to emphasise a local point or to underline the fact that any peace would be properly attained.

2. The announcement about Brookmount Bridge - stage II of the Omagh Throughpass - was well received by the audience of local businessmen. The Secretary of State decided, on reflection, to refrain from quoting numbers of additional jobs created if there was a permanent end of violence. Instead he referred to a "net increase in jobs, running into many, many thousands and making a material dent in unemployment".

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3. Mr May and others also kindly provided briefing for a short courtesy call on Omagh District Council during the morning. At the Council offices he was met by the Chairman, Mr McGowan (SDLP), the Vice-Chairman, Mr Breen (UUP) and the Clerk and Chief Executive, Mr McKinney. The Secretary of State first of all mentioned the good news of the through-pass. This was greeted with delight. The Council briefly raised the following subjects:-

W K LINDSAY
PRIVATE SECRETARY
the possibility of a new company, based in the USA,
setting up in Omagh with the assistance of the IDB;

- the need to retain acute services at the Tyrone County Hospital. This was linked to the closure of the maternity services, still a sore point, but now accepted. There was great concern expressed that the promise of upgrading the maternity unit at the Erne, including additional staff, before patients were diverted from Omagh was not happening; (Advice please: PS/Baroness Denton, DHSS)
- the road to the Erne Hospital from Omagh was not good and required upgrading; (PS/Mr Smith, DOE to note)
- there was a plea to keep the headquarters of the Western Education and Library Board and the 400(?) jobs associated with it in Omagh; (PS/Michael Ancram, DENI to note)
- discussions with Queen's University were ongoing in relation to having a campus in the Tyrone and Fermanagh Hospital building. Apparently, Dr Beveridge has been to see the hospital and a feasibility study has been commissioned; (PS/Michael Ancram, DENI to note)
- in relation to security, the Chairman and Vice-Chairman said that they were very fortunate at the continuing high calibre of senior police officers posted to Omagh and relationships with the police at all levels were very good indeed.

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4. Because of time constraints, the Secretary of State did not respond in detail to the points made but undertook to refer these to the relevant Ministers.

Introduction

Signed

Mr President, members of Omagh Rotary Club, it is indeed a pleasure to be here today at this lunch. I am very grateful to you for

inviting me.

W K LINDSAY
Private Secretary

This is, of course, not the first time that I have visited Omagh. At about this time last year I met your Council and visited the new leisure centre complex which, I am pleased to note, subsequently won a Northern Ireland Quality Award.

I was also here in early August during a week of enjoying the pleasures of Ulster. I dropped into the Cattle Mart, visited the two fine Roman Catholic and Church of Ireland Churches, and called in at Rafferty's Delicatessen.

I have, in fact, just come from meeting your Council again. I told them of my admiration for the efforts of the citizens of Omagh to promote the development of their area. I also listened to their concerns, particularly about the loss of some local services here.

Omagh Through-Pass

I also had some good news for them. I was delighted to be able to tell them that we now propose to start work this year on the first phase of Stage 2 of the Omagh Through-Pass - the Brookmount Bridge. This £0.4 million scheme will take approximately 9 months to

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OMAGH ROTARY CLUB: DRAFT SPEECH

Introduction

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complete, and will prepare the way for phase 2 which is scheduled to commence in the following financial year.

I am very conscious that this is a project for which the local Council and others have lobbied hard in recent years. I know therefore that this audience will also welcome today's news, which reaffirms our commitment to complete the Omagh Through-Pass as soon as possible.

Local Economic Development

The development of the roads infrastructure around Omagh will, of course, help the process of local economic development. Your members, Mr President, will well understand what I mean. The encouragement of small local projects and the fostering of local development initiatives are essential ingredients of Government's approach to developing the Omagh economy. In the Omagh area itself, IDB has 7 client companies employing over 900 people, while LEDU has almost 1,000 businesses employing more than 4 times that number of people.

The Government has also supported the Tyrone Economic Development Initiative, an example from your own area of how Councils can join together to promote development. We see this as very much complementary to our own efforts. We have encouraged local initiative further by giving Councils' new powers to levy a rate for economic development purposes. And I am pleased to learn that three Omagh companies have recently successfully completed LEDU's Marketing Awareness Programme. I hope that the strategic

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development plans which they have produced as a result will bring about extra growth and generate extra jobs.

Another sign of economic progress over recent years has been the increase in tourism in Northern Ireland and the growing confidence of investors in the tourism industry. A number of new hotels are operating, and visitor numbers have increased by one third over the last four years to 1¼ million. The key group - holiday visitors - has doubled in that period.

Tourism here offers real scope for development. I helped to launch the North West Passage initial brochure at the Ulster American Folk Park a year and half ago. In the Ulster History Park at Gortin you also have a splendid historical and interpretative centre.

I also know from my last visit that the Tourist Board continues to work closely with your local Council to develop further marketing initiatives. The pilot scheme for community based tourism in the Sperrins may well offer one promising type of option. It has the vital ingredients of local involvement and local benefit, while ensuring that development is sustainable and respects the character of the area.

Economic Prospects

Good foundations for sustained growth are therefore being laid, and this is borne out by the latest economic forecasts. All the recent surveys predict that the recovery in Northern Ireland will continue during 1994.

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Last month the CBI reported that companies' confidence in their own business prospects and in the wider Northern Ireland economy, continued to rise. For the first time in four years a significantly larger number of companies are expecting to take on employees than are expecting to lose them. The Coopers and Lybrand annual review confirmed that almost 60% of local firms were committed to expansion this year. And the Northern Ireland Chamber of Commerce and Industry survey for the last quarter of 1993 came out with the equally positive message that the local economy was "growing steadily".

Peace Dividend

Mr President, the Northern Ireland economy has indeed performed very robustly throughout the recent period of recession, and it is continuing to advance strongly as recovery gathers pace. But this has been achieved against a background of conflict on the people and the economic fabric of Northern Ireland. How much greater therefore would be the prospects for success, for growth, for jobs if peace were to be restored?

Northern Ireland has many attractions for visitors, but growth has obviously been held back by our reputation for violence. As a result, we have not realised anything like our full potential. We can get an idea of what that potential might be by looking south to the Republic. If we were to achieve similar levels of tourism to theirs, relative to our size, we could attract an additional 1 million visitors to Northern Ireland.

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That could bring many additional thousands of jobs in the tourism industry and the creation of additional wealth that this implies. Is there any good reason why we should not reach these levels if we had peace? If there is, I do not see it.

Of course, I do not say that these things would happen overnight.

It would take time for visitors to be convinced that peace was real, and there would have to be investment in the tourism industry in Northern Ireland to cope with increased numbers; investment which, incidentally, would itself create more employment opportunities.

But I believe we could get to these levels in 5 years. A final point worth remembering. Tourism offers probably the best prospect of jobs for rural areas and remote districts in Northern Ireland, which at present suffer some of the highest levels of unemployment. A boost in tourism could therefore bring the benefits of employment to some of those who need them most, and could help to spread prosperity more evenly in Northern Ireland, something which this Government sees as a top priority.

And then there is industrial investment and trade. Northern Ireland is already an attractive location for inward investment.

But can anyone doubt that some investors had been deterred by the terrorism and the negative, repellent images associated with it? Or that they would look again at Northern Ireland if all of that was swept away?

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I believe peace would bring a renewed surge of interest by investors. The advantages of Northern Ireland - the well educated workforce, the excellent industrial relations, the first class infrastructure and telecommunications network, the green environment, the close industry/university links - would come into their own. They would be a powerful magnet to mobile industrial projects.

And I believe that trade and exports would also grow, bringing additional jobs. Overseas buyers would be happier to come here, more confident of the ability of Northern Ireland companies to deliver and more ready to form business links and joint ventures with them.

One export market in particular where our performance would improve is with our nearest neighbour, the Republic. Both economies have much to gain from trade, especially where they can buy from each other products and services that they currently buy outside Ireland. The permanent end of violence would break down barriers and give an enormous impetus to trade. Both economies would quickly see the benefit in new jobs and new opportunities.

X. All of this would transform the economic prospects of Northern Ireland. There would no doubt be some areas of employment which would see a reduction in the event of peace, but even allowing for these, we have estimated that peace would bring a very substantial net increase in jobs, running into many, many thousands and making a material dent in unemployment.

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That is a prize which our people, of whatever persuasion or opinion, should not be deprived of. It would be a tragedy if it were allowed to slip through their fingers. Those who have the power to end violence can give this prize to the people.

Political Development

As a Government we are firmly committed to peace in Northern Ireland.

We believe that this can be best achieved through a resumption of the Talks process, complemented and underpinned by the Joint Declaration.

We are now in process of discussing with the local parties the way forward. We are floating ideas across three strands, with the aim of giving focus and direction to the talks process. We are also in discussion with the Irish Government on matters of mutual interest, including constitutional issues.

The Joint Declaration provides a way for Sinn Fein to join the political process, provided that violence ceases, and ceases for good. Three months after violence comes to an end they can enter exploratory talks. I hope that they will grasp the opportunity. The people of Northern Ireland want the killing to stop.

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Conclusion

Mr President, it has been a pleasure to visit Omagh today, and I am delighted that I have been able to bring you glad if modest tidings. I wish the Omagh Rotary Club every success I congratulate you for the very good work which you not only do in this community, but also wider afield. I hope that you will continue with this good work, and that the Club will go from success to even further success in the future.

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