

Office of the Independent Chairmen

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SUMMARY RECORD OF STRAND TWO MEETING - TUESDAY 4 NOVEMBER 1997 AT 1030

CHAIRMEN: Senator Mitchell
Mr Holkeri

THOSE PRESENT: British Government
Irish Government

Alliance
Labour
Northern Ireland Women's Coalition
Progressive Unionist Party
Sinn Féin
Social Democratic and Labour Party
Ulster Democratic Party
Ulster Unionist Party

1. The Chairman convened the meeting at 1040 and sought the approval of the 20 October minutes. On hearing no comments these were approved as circulated.
2. The Chairman said the main item of business was the completion of item 3 on the comprehensive agenda and a discussion of item 4. Before proceeding with this, the Chairman said he wished to raise some questions with the participants regarding the scheduling and format of business in the coming weeks. Underlying this series of questions was the issue of how best to proceed in order to get engagement between the participants on the issues before the process once preliminary discussions on the comprehensive agenda items were complete. These were as follows.
3. The Chairman said it appeared there was general agreement to completing the initial survey of the Strand Two agenda items by next week. A date and time for the meeting next week would be discussed later. The question was how did the participants wish to proceed after that? The Chairman said one suggestion put forward was to devote the

week commencing 17 November to Strand Two consultations. Those would be held in a format other than the present meetings but that format had yet to be decided. The Chairman said consultations could be undertaken in a series of bilaterals, with or without the Chairmen present, or by introducing smaller subgroups. Neither format was mutually exclusive. The Chairman asked participants to consider the options outlined.

4. The Chairman said there was then the issue of the timing of the review Plenary meeting. The Chairman proposed that this occur in the week commencing 1 December, thereby allowing three days if necessary to complete the session. The Chairman then raised the issue of the Liaison Sub Committee meetings. As regards the Decommissioning Sub Committee, General de Chastelain had reported that a paper had now been given to both Governments at official level. The Chairman proposed that when this paper was ready it should be distributed to the participants and that on 17 November a meeting of that Sub Committee would take place at 1600. That meeting would permit General de Chastelain and his colleagues to give a presentation and respond to issues raised. The Chairman said he proposed that on 18 November a meeting of the Liaison Sub Committee on Confidence Building Measures be convened at 1600. On top of all of this, however, remained the question of how to move into a more meaningful series of negotiations.

5. Moving on to the final issue, the Chairman said he wished to discuss the date and timing of the next Strand Two meeting. He said that up until now most Strand Two meetings had taken place on Tuesdays. Next Tuesday was, however, the date set aside for the inauguration of the Irish President. The Chairman asked whether it was the wish of the participants to move to a date other than 11 November and if so should the meeting take place on Monday morning or after the Strand One discussion on Monday afternoon. The UUP sought clarification as to the status of the Strand One arrangements. The Chairman confirmed that Strand One remained unaltered at 1400 on Monday next. Sinn Féin suggested that the Strand Two meeting take place on Monday morning to allow the Irish Government delegation and others the opportunity of being present at the President's inauguration. The Chairman asked participants for a starting time for Monday. The NIWC proposed 1100. There were no objections to this.

6. The Irish Government thanked participants for their understanding and co-operation. The Chairman asked whether there were any objections to the date and timing of both Liaison Sub Committees. There were none.

7. The SDLP inquired whether the Chairman had had any discussions with the Chairman of Strand One on how matters were likely to proceed in that Strand. The party said that, while it readily accepted the concept of differing strands, so much of the subject matter was interlocked that it seemed sensible to adopt a similar approach in Strand One in the short term to that proposed by the Chairman on handling Strand Two consultations. The SDLP asked the Chairman for his observations. The Chairman confirmed that discussions had taken place on this issue and stated that if the participants agreed to devote the week commencing 17 November to Strand Two consultations, it was his expectation that the Chairman of Strand One would proceed the following week (24 November) on a similar basis. After that would come the review Plenary. The SDLP asked whether the Chairmen of Strand Three would also consider a liaison meeting during that period so that elements of Strands One and Two could be replied to prior to the review Plenary, so that as comprehensive view as possible could be established going into the review Plenary week.

8. The Chairman said he believed this was being contemplated for the week commencing 24 November. The Chairman then summarised the various scheduling issues: Strand Two on Monday 10 November at 1100, Strand Two consultations in week commencing 17 November (with format to be determined), the Liaison Sub Committee on Decommissioning on 17 November at 1600 and the Liaison Sub Committee on Confidence Building Measures on 18 November at 1600. The following week was likely to be devoted to Strand One and Strand Three consultations with a review Plenary in the week commencing 1 December. The Chairman asked for any further comments.

9. The UUP said it wished to raise a couple of procedural points. The party said the record of Strand Two sessions went into tremendous detail and should instead be a

summary of what was said and a record of decisions taken. The UUP said records produced in other strands were much shorter and a degree of consistency needed to be introduced to this process. The Chairman said he hadn't seen the Strand One minutes and therefore couldn't comment in any detail.

10. Sinn Féin said it believed it was very important that the record was as detailed as possible since a transparent view needed to be provided to the public at large from a historical perspective to enable them to know what had been going on. The party said it was likely to make little difference to the notetakers since a full note was probably produced before any summary was drafted. Alliance, referring to Sinn Féin's remarks, said it had thought the record of strand business was private and not to be released to the public. The party said it was all for transparency but it had understood copies of the records were not for public release so this wouldn't fulfil Sinn Féin's point in any case. Alliance sought confirmation of this from the Chairman. The Chairman said the record was not for public release. Sinn Féin said it agreed with Alliance's view and that was why it had spoken about the historical context. The UDP said it believed the opportunity to achieve consistency of approach with the production of the records across the Strands and the Business Committee etc should be investigated. The party said there was a need to look at this issue in a balanced and comprehensive way.

11. Alliance recalled an earlier inconclusive discussion regarding the DUP's asserted rights to have a copy of the record made available to it. The party said that recently a member of the DUP had displayed a copy of what he alleged to be talks minutes during a meeting of the Forum. Alliance asked whether the DUP was being supplied with copies of the records. The Chairman said he would make some enquiries and come back. The SDLP asked whether any such ruling had been given by the Chair in relation to the distribution of records to those parties not presently in the process. The Chairman said no such decision had been made. In the absence of a decision records had not been distributed to the parties in question. On a separate point the Chairman said that those parties who wished to submit papers on agenda item 5 should do this by 1400 on Friday 7 November.

12. The UUP said it had an established practice not to criticise civil servants but it wished to know the exact role of a member of the Irish Government delegation since some provocative remarks concerning Articles 2 and 3 had been attributed to that person at a meeting in west Belfast the previous evening and these had been carried in press comment. The UUP asked, given the nature of the remarks, whether the individual was a civil servant or an employee of a political party.

13. The Irish Government said the individual in question was a highly regarded civil servant employed by it. With regard to the attributed remarks, the Irish Government said it had made its position clear many times. In the negotiations covering the three strands, all issues were on the table. Any outcome to the process had to be acceptable to the people in both islands and there had to be a balanced accommodation. The Irish Government said that as the negotiations moved forward, it would discuss proposals for change in the Irish constitution as part of both balanced constitutional change and an overall agreement. The Irish Government said this commitment was shared with the British Government and was contained in the Framework Document and it would be standing by this.

14. The UUP said that if the individual in question was a civil servant, it appeared to be most exceptional for someone in this role to be going to political rallies and making statements. Given this position the party said it was going to have to break with its aforementioned tradition and criticise the individual from here on in.

15. The Chairman asked participants whether they were ready to complete item 3 and discuss item 4. The SDLP sought clarification as to when the issue of what format the Strand Two consultations would take would be resolved. The Chairman said he had raised the issue today to enable participants to discuss the options with their colleagues and, if appropriate, between parties before reaching a decision next week. The Chairman said this should allow plenty of time to review the subject and hopefully agreement might be reached on a general way of proceeding. The Chairman then moved on to the remaining business.

16. The SDLP said that in many of the submissions prepared to date which had focused on the case for establishing North/South institutions, the emphasis had been on the fundamental political case for such institutions. The party said that given last weeks discussion on item 3 and the inconclusive exchanges on the question of whether greater social and economic benefits could be attained from a single island market, it thought it proper to elaborate further on this and to establish the social and economic arguments for North/South institutions.

17. The SDLP said that when it had made reference to these factors the previous week, there had been some criticism from the UUP who had argued that North/South institutions were not required to further promote and enhance social and economic development in Ireland. The party said in order to address the UUP comments it had prepared a paper which had been circulated to participants prior to the commencement of the session.

18. The SDLP said the case for such institutions was not surprising. The party had made it time and time again, though the merits of the case had not been accepted by everyone in the academic field. The party said its case had been presented at the Forum for Peace and Reconciliation in Dublin and before that to the New Ireland Forum. The SDLP said that the most important economic question from an all-island perspective was how the full potential of both parts of Ireland could be exploited and developed to achieve benefits that each separately could never achieve. The party said that in recent years, the economies of both parts of the island had been displaying considerable revival with renewed vigour and strength. This underlined the case for co-operation and integration between both parts of the island and for a co-ordinated approach to socio-economic planning to occur. This was widely acknowledged as essential if maximum benefit was to be obtained from the potential which now existed. The SDLP said, however, that the greater the case to be made for co-operation on such issues between both parts of the island, then the greater the need for infrastructural development. The party said such development demanded the co-ordination of planning which in turn required consultation

and decision making formalised under cross-border institutions, whether such infrastructure concerned rail, road, water or energy supplies.

19. The SDLP said there was an increasing need for planners across the island to take account of a whole range of changing needs, such as in education where in recent times a transformation had taken place in the pattern of students flowing from North and South. The party said that while many students still went south to complete their education, it was more notable that many in the south came to the north to do this, as well as students in both jurisdictions going east. There was also a demand for greater development and co-ordination of services in respect of Further Education on the island. The party said this was very obvious from an efficiency and effectiveness viewpoint and the planning elements involved in such co-ordination would be an appropriate responsibility of any North/South institutions.

20. The party also referred to the health service as a further example of the need for the co-ordination and planning for specialised service provision to be considered as a contender for attention. There were many other sectors where greater efficiency and effectiveness could be achieved if one moved towards co-operation and integration on an all-island basis.

21. In terms of trade and industry, the party said the potential to increase what was presently a great disparity between North/South and South/North trade was another pertinent example which demanded attention within the context of North/South economic planning. The party said a welcome sign that such an approach could be beneficial was contained in the joint North/South submission to the current round of EU Structural Funds and to the special EU fund for economic reconstruction. Such initiatives facilitated and improved the opportunities for trade and commerce across borders and states. This view was supported by a leading economist who had argued that "the experience of European integration contains important lessons which can usefully be applied when thinking about deeper economic integration between North and South. That experience shows that market integration of mixed economies requires considerable policy integration and political

co-ordination. Because of the numerous ways in which public policy impacts on mixed economics, economic integration requires far more than what is known as negative integration ie the removal of obstacles to cross-border economic activity". The party said these comments were as pertinent in the Irish dimension as they were at EU level.

22. The SDLP said it wished to emphasise that there was a clear case for co-ordination, and co-operation taking place for the mutual benefit of all through the establishment of North/South institutions. The "totality of relationships" argument was as pertinent to this discussion as it was to all others. Those relationships had to be taken into account in terms of trade and commerce though the party was not building a case for North/South institutions on this dimension alone. Its proposal was for North/South institutions which took account of all dimensions.

23. The UUP welcomed the new Irish Government Minister for Defence and said it looked forward to meeting and working with him. The party said it hadn't read the SDLP paper but had listened carefully to its presentation. The party said it was in favour of North/South co-operation and increased trade with the Republic of Ireland. It had been, in fact, the unionist government at Stormont which had instituted much of this and the party continued to recognise the importance of such co-operation, not least for the farming communities.

24. The UUP said the SDLP had referred to several items, one of which had focused on the improving economies in both Northern Ireland and the Republic. The party said a more vibrant economy in the South was good news for Northern Ireland since it meant more money for the latter. The UUP said nationalists shouldn't always think that unionists were against co-operation with the Republic, but one had to recognise the economic realities of the situation and consider that only 6% of Northern Ireland's trade was with the Republic with the other 94% going elsewhere.

25. The UUP said that further trade opportunities with the Republic were now called into question following the Irish Government's statement at the previous Strand Two session

when it had outlined its intention to join the EMU irrespective of the UK's position. The party said if such an approach was taken then the UK would have an increased barrier to trade within Ireland and this could result in a reduction of exports from Northern Ireland since the disparity between the euro and the pound sterling could increase further.

26. Moving on to the other issues raised in the SDLP paper, the UUP focused on tourism. The party said there was co-operation between the tourist bodies in both parts of the island and it supported this. Co-operation occurred on a daily basis but it didn't require an all-Ireland body with executive powers to make it happen. With regard to transport, the UUP said that the Northern Ireland authorities had co-operated with the Republic's on various schemes and joint working parties had been established to oversee the planning of new cross-border roads. Again this co-operation already existed and didn't need an all-Ireland body to ensure it occurred. The party said it was not opposed to co-operation but were political bodies actually needed to oversee this?

27. Alliance said it wished to pick up on a few points in the SDLP paper. The party said it went along with the views expressed in the document, particularly those aspects relating to co-operation between North and South and the need for greater co-ordination and planning on an all-island basis. The party viewed the sense of this from the medical perspective where greater co-operation in both the academic and clinical fields was occurring. The party said a question which had to be addressed, in the context of North/South institutions, was the independence of authority which institutions in the Republic held.

28. Alliance said that as an example, there were five medical schools in the Republic and one in Northern Ireland. The Republic was training too many doctors and exporting them to Northern Ireland and elsewhere. This situation gave rise to a range of questions within the United Kingdom context including whether a medical school in Northern Ireland was still viable, but also, given the over capacity in Ireland and the higher levels of training, whether the differing training standards could also be co-ordinated to assist with any revised organisational arrangements for training. Alliance said these were examples of the

practical problems associated with the concepts in the SDLP paper. Furthermore as long as Northern Ireland remained in the UK and arrangements were come to on the basis of the UK situation, then the question was the degree of preparedness of the Republic to forego some of its independent operations for the sake of co-operation. Alliance said that the same process might also have to occur on a reciprocal basis in the UK in terms of training standards and mutual recognition but the key point in all of this was that everybody concerned had to work together and approach the subject in a flexible manner. The party said it was evident that all-Ireland co-operation required everybody to move on such issues.

29. Alliance, referring to the previous week's statement from the Irish Government on EMU entry, said this appeared to be more than mere clarification since the remarks failed to explore the implications for North/South co-operation on the basis that Northern Ireland would be outside any single currency while the Republic was inside. Alliance said it had perhaps misinterpreted the Irish Government's statement or perhaps the latter would subsequently produce a paper addressing these implications.

30. Turning back to the SDLP paper, Alliance said it wanted co-operation but it would require everybody to give up some of their independence of view. The Republic would have to give up on some issues and there were examples around, such as the termination of contracts in the west of Ireland, which highlighted the need to take a different approach. Alliance said it wasn't disagreeing with the concepts of the SDLP paper. Its comments were meant as a follow on so that the necessary confidence could be developed for such co-operation to take place.

31. The NIWC said they would circulate a paper on item 4 later. The issue had to be seen in the context of the web of relationships: North/South, east/west and EU related, and parties should be looking at strategic planning rather than merely discussing existing North/South co-operation. North/South co-operation needed to be based on more than just goodwill. The recent problem in tourism co-operation showed this. The party agreed with the point that increased co-operation would involve changes for the Republic as well as Northern Ireland. The NIWC put forward a model of a strategic framework involving a

North/South Forum for Social and Economic Development and Co-operation. The existing Intergovernmental Council could link into this Forum. The Forum should also have links to EU agencies, in order to promote interregional development. In the context of the development of regionalism in the EU the party suggested also that a Council of Regions, involving both parts of Ireland, England, Scotland and Wales, with links to the EU be established. The party said it was happy to discuss any of these structures and relationships but the time had come to move on from co-operation to strategic planning and development. There was a need to bring reality into the debate and stressed that no fear should come from the discussion of issues which were mutually beneficial.

32. Sinn Féin welcomed the paper tabled by the SDLP, and agreed with Alliance that North/South co-operation would present challenges to the Irish Government, as shown by recent controversies over tourism and the siting of a regional airport in the north-east. The paper was particularly welcome as it showed that the SDLP had listened to the arguments put forward by the UUP the previous week, thought about them, and come forward with a paper in response. Sinn Féin believed the duplication of services in every sector in Ireland was a nonsense, and argued for dealing with Ireland as a unit in areas such as the economy and culture. There was a need for serious discussion on these matters, and while the UUP contributions had been very lively, Sinn Féin said it would show more seriousness if the party (the UUP) had produced a paper setting out its arguments.

33. The Irish Government welcomed the SDLP paper and said that going into the EMU was a sovereign decision which each Government in the EU was taking in its own right. Both economies had lived for quite some time with currency fluctuations, often quite wide, and the claim that commercial co-operation would be derailed by Ireland joining the EMU, as had been suggested by the UUP, didn't have much substance. A great proportion of Northern Ireland's trade would be with countries in the EMU. There were precedents at EU level for dealing with Ireland as a unit, which had benefited Northern Ireland. There were many areas where North/South co-operation could be improved: in dealing with high unemployment, agriculture, the peripheral position in the EU, for instance. There had also been great co-operation by the universities in the area of science and technology.

34. The Irish Government said that all present were trying to reach a new agreement, which would respect the aspirations of both traditions. Participants shouldn't always be looking for difficulties. The Irish Government said it had a vested interest in increasing trade with the North. It was a fact that both jurisdictions' trade with their nearest neighbour was unnaturally low. There was of course a political element to that. The Irish Government wondered was it mistaken in assuming that Unionists too had a vested interest in an agreement being reached which Nationalists would accept? The establishment by agreement of North/South institutions, with political and other accountability, would have the dynamic to drive progress forward in many areas which had lapsed in the past.

35. Labour welcomed the SDLP paper, which was in line with much of the party's own thinking. The political and economic issues here were wholly interdependent. The New Ireland Forum report had included an analysis of the negative effects of partition, which included the economic marginalisation of border areas, duplication of services and facilities, excessive structuralisation in Northern Ireland and an economy too closely dependent on UK needs. The 1976 Quigley Report on the economy of Northern Ireland had also looked at some of these aspects. Labour did not share the rosy picture that some had painted of the economy in Northern Ireland. It was a workhouse economy, dependent on the begging bowl and massive subvention from the UK Treasury. It was questionable how much longer Britain and the devolving British regions would be prepared to put up with this. Northern Ireland suffered from chronic under investment, a total lack of innovation and the almost total collapse of the manufacturing and services sectors. 42,000 manufacturing jobs had been lost in 15 years, and the public sector accounted for some 70% of local GDP. This was the background which should be focusing everyone's minds at the table. The Republic's economy, by contrast, had undergone an amazing turnaround, with average 7% annual growth.

36. Labour said local authorities in border areas who had tried to improve cross-border co-operation had been greatly frustrated by a lack of co-operation from Government departments North and South. In the absence of political direction, bureaucracies would

not co-operate. It was now possible, as enmities were overcome, to work more closely for the benefit of the people. The party supported cross border institutions, and the idea of a North/South Council to take these ideas on board. Labour said the UUP had said it would not agree to executive arrangements, but what was the problem with executive arrangements if the people would benefit from them? Presumably there was something the UUP would agree to.

37. The UUP interjected that the party was at the talks, almost alone, to represent the unionist community, to try and build a consensus in Northern Ireland. This contrasted favourably with developing a pan-nationalist consensus, or with building a consensus within a tradition rather than across the divide. Labour said that it was neither a nationalist or unionist party. Agreement would not be reached on the basis of the fixed positions which had been put forward in recent weeks, but on engagement and discussion, of which the party had seen very little so far.

38. The British Government welcomed the SDLP paper and the discussion it had engendered. There seemed to be general agreement that co-operation could be improved, in areas such as commerce, agriculture, fisheries and tourism. Any structures emerging should be seen in terms of the benefits possible for people North and South. The issue also needed to be seen in the context of the EU and of devolution in the UK. Item 4 - relationships with other arrangements - was also critical, and would form an integral part of the final deliberations.

39. The SDLP wanted to respond to the UUP's concerns about the meeting in West Belfast the previous night. The party's position at that meeting had been that while a nationalist consensus was desirable, it was only desirable if it was open to the wider consensus to be achieved at the talks. This was at one with the point the UUP had made. The SDLP noted that the head of the UUP delegation had been a member of the European Parliament, supported the European project and recognised its political dimension. If co-operation in Europe had been left to ad-hoc measures, it would never have reached the high degree of co-operation that existed today. It required engagement at the political

level, and strategic planning. As regards the EMU, it was clearly the UK which was the odd one out on this, and even the UK Government was preparing for entry into the system. It was likely therefore that businesses in Northern Ireland would also have to start dealing with, or in, the euro in the future. The party also accepted much of what Alliance had said about the challenges for the South of increased co-operation, but considered that it only reinforced the case for a political framework in which to address these difficulties. The SDLP had also made the point, notably at the Forum for Peace and Reconciliation in Dublin, that the North also had much to offer and teach the South, for instance in the quality and standard of services.

40. The UUP said the Irish Government's remarks on forgetting about the obstacles and getting on with co-operation was not real politics. Everyone had to address the obstacles, to remove them and make progress. The main obstacle was political - Articles 2 and 3. A second major obstacle was Irish membership of the single currency. Dublin was joining the euro for nationalist reasons, not economic ones, and was creating an obstacle to improving trade. The party said that the economic advance in the Republic was a good thing. Some of it might rub off on the North, and it also increased opportunities for Northern exports. The UUP did not accept Labour's comments on the economy. Northern Ireland had good economic growth, and was no longer the poorest region in the UK. The Republic's bonanza was the result of a huge inflow of EU funds amounting to 9% of GDP, and was a temporary miracle which would soon disappear. The SDLP wondered where Northern Ireland's trade would go, if the EMU was such an obstacle, given that almost all EU countries would be using the euro? The UUP clarified its position in response to a query from the SDLP and repeated its comments that it was happy to see trade increasing between Northern Ireland and the Republic.

41. The discussion having come to an end, and with some power problems occurring, the Chairman said he would advise the Chairman of the Business Committee of the

schedule as discussed. He adjourned the meeting at 1230 to Monday 10 November at 1100.

**Independent Chairmen Notetakers
6 November 1997**