

European Council (Special Meeting)

3.30 pm

The Prime Minister (Mr. John Major): With permission, Madam Speaker, I shall make a statement about the special meeting of the European Council in Brussels on 29 October, which I attended with my right hon. Friend the Foreign Secretary, and also about my separate meeting in Brussels with the Irish Prime Minister. The documents issued by the European Council and the joint statement that I issued with the Taoiseach have both been placed in the Library of the House.

Agreement was reached at the European Council on a number of important points. It was decided that, later this month, Finance Ministers would consider a draft White Paper by the European Commission, setting out proposals on growth, competitiveness and employment. The United Kingdom has already put forward suggestions for that White Paper. The European Council renewed its commitment to secure a global commitment in the Uruguay round before the December deadline. The Council agreed to provide extra help to small and medium-sized businesses by widening the criteria for loans by the European investment bank.

The future location of a number of European Community institutions was decided. Some of those decisions were long overdue. Of the main institutions, it was agreed that the headquarters of the European Monetary Institute will be in Germany, the European Medicines Evaluation Agency in the United Kingdom, Europol in the Netherlands and the Trade Marks Office in Spain. The decision on the European Medicines Evaluation Agency should reinforce Britain's position as the centre of the European pharmaceutical industry.

On Bosnia, the Council agreed to try to improve access for aid supplies as winter approaches. We are seeking credible assurances from the warring factions that they will not block access routes. The Council is also looking for more funding and troop contributions from outside the European Community, to supplement the huge efforts made, in particular, by Britain and by France. Work on the further Yugoslavia was identified as one possible area for joint action in foreign policy. The European Council also asked Foreign Ministers to consider joint action in support of the middle east peace process and to contribute to election monitoring by the United Nations in South Africa and in Russia.

Under the interior and justice pillar, the Council asked Ministers to bring forward proposals for co-operation in the fight against international crime and drugs, and over asylum and immigration problems. We agreed that the Europol Drugs Unit should be up and running within 12 months.

No one at the council was in any doubt that our highest priority is to restore sustainable, non-inflationary growth and to increase employment across the Community.

I argued that the European Community had to confront its own structural weaknesses, which had led to a falling share of world markets and, by comparison with the OECD average, the loss of an estimated 9 million jobs since 1980. The quickest boost to growth and employment will be to secure a GATT agreement. It was also generally agreed that the Community needed to make its labour markets

more flexible, to cut red tape nationally and in Brussels, to encourage investment and to create the right climate for new and growing businesses.

I believe that economic convergence is a helpful objective for each Community member state. It will assist in keeping inflation and interest rates as low as possible, as well as controlling public borrowing and debt.

In our discussions, I again made clear that I considered the timetable for economic and monetary union stage 3—a stage to which we are, of course, not committed—to be unrealistic. Public opinion and the recession have changed attitudes within the Community. Subsidiarity, for example, now has very strong support. During the past two years, the European Commission has halved the number of proposals that it has brought forward for new Community rules and regulations. In December, we shall be looking for specific proposals to cut back existing European Community law. There is increasing emphasis on inter-governmental co-operation, with decisions taken by consensus on both foreign and home affairs. We operate by agreement and not only through the treaty of Rome and the European Commission.

The European Council concerned to respond to criticisms that arose throughout Europe during the debate on the Maastricht treaty.

The Council declared:

"We wish to introduce greater transparency, openness and decentralisation in our procedures. We want a Europe close to the citizen and intervening only where necessary to pursue our common interests."

We have argued long and hard for that approach within the Community, and I thoroughly welcome it.

Following the European Council meeting, I had a bilateral discussion with the Irish Prime Minister. Mr. Reynolds gave me an account of the report given to him by the hon. Member for Foyle (Mr. Hume), together with the assessment that the Irish Government have made in the light of it. He did not pass the report itself to me. We acknowledged the courageous efforts made by the hon. Member for Foyle, but agreed that the report could not in itself be a basis for action.

We agreed that the two Governments should continue to work together on the following basis: Northern Ireland's situation should never be changed by violence or the threat of violence; any settlement must depend on consent, freely given; negotiations on a settlement could only involve constitutional politicians; there could be no secret agreement or understanding between Governments or organisations supporting violence as a price for its cessation; and those claiming a serious interest in advancing the cause of peace in Ireland should renounce the use of, or support for, violence. If and when such a renunciation of violence had been made, and had been sufficiently demonstrated, new doors could open, and both Governments would wish to respond to the new situation which would then arise.

The terrible events in Northern Ireland since our meeting last Friday have further underlined the urgent need for that process to succeed. As the House will know, last Saturday evening, two gunmen fired indiscriminately in a crowded bar in Greysteel, County Londonderry. Seven people died, ranging in age from 19 to 81, and 11 more were injured. A claim of responsibility for that appalling act was subsequently made by the Ulster Freedom Fighters.

The Royal Ulster Constabulary, who acted with exemplary speed and skill, have arrested nine people in connection with the attack. That, like the Shankill road bombing and the six other terrorist murders in Northern Ireland last week, was a barbarous and despicable attack on innocent and peaceful civilians. The whole House will wish to extend its profound sympathy to the victims' families and friends.

Less than 24 hours later, an RUC officer was shot and critically injured in Newry. That once again reminds us of the enormous debt that we owe to the brave men and women of that force.

Those murders will bring the terrorists no advantage, but only the prospect of long years in prison. Terrorism will not alter the constitutional guarantee that we have given the people of Northern Ireland. It will not defeat the security forces, and it will not deflect us from the search for a fair and lasting peace.

The joint statement with the Irish Prime Minister provides a clear basis for progress. Both Governments are committed to the talks progress. The principle of consent must be at the heart of any settlement—as the Irish Deputy Prime Minister made clear last week, when he acknowledged the rights of Unionists to give or to withhold that consent. That clearly points to constitutional reform in the Irish Republic at the right time and in the right circumstances.

The Government will now intensify their efforts to find a basis for the constitutional parties in Northern Ireland to carry on the talks progress. My right hon. and learned Friend the Secretary of State for Northern Ireland will hold further discussions with the Irish Deputy Prime Minister in a meeting at the Intergovernmental Conference later this week. We are determined to do all that we can to bring peace to Northern Ireland. The further killings that occurred over the weekend make that search for peace all the more urgent.

Mr. John Smith (Monklands, East): I thank the right hon. Gentleman for making a statement on both aspects. I welcome the European Council's confirmation of the enlargement timetable for Austria, Finland, Norway and Sweden so that negotiations are completed by March 1994 and accession by 1 January 1995. I welcome also the commitment to achieving within the timetable a successful conclusion to the GATT talks, and the initiative proposed for closer police co-operation under Europol.

As to the economic aspect, given the depressing realities of the economic situation in the Community, with 17 million unemployed, and with any recovery in Britain at best patchy and fragile, why is there not a greater sense of urgency on the part of the United Kingdom Government and other member states in taking more effective action to stimulate their economies and to bring down unemployment?

With the Bundesbank having begun to reduce its interest rates, is there not a strong case for co-ordinating interest rates cuts across the Community—not least in this country, where manufacturing output has fallen and the construction industry remains dangerously weak? Although we welcome the modest extra help to small and medium-sized businesses that was promised at the European Council meeting, can the Prime Minister explain why initiatives agreed as long ago as last year's Edinburgh summit have not yet been acted upon?

The right hon. Gentleman will recall that it was agreed at that summit to establish a European investment fund in addition to the increased facilities available through the European investment bank. He will be aware also that, for the European investment bank to establish the new fund, it will be necessary to amend the new protocol to the treaty of Rome. Can the Prime Minister explain why, nearly one year after the Edinburgh summit, that has not been done by the United Kingdom and other member states? Will he give the House an undertaking that there will be no more delay in pursuing an initiative for which he claimed credit at Edinburgh?

Will the Prime Minister explain why his Government are denying to areas of high unemployment and industrial decline in the United Kingdom more than £300 million of European funding because of spending restrictions on local authorities—an approach which is locking this country out of desperately needed investment funds? Will the right hon. Gentleman explain why, when his policy was to have Britain at the heart of Europe, the European Monetary Institute is to be placed at the heart of Germany? How will he explain to the City of London that latest triumph of his negotiating skills? Perhaps it is a case of game, set and match to the Bundesbank.

On Bosnia, what evidence is there that the declaration will have any significant impact on Serbian and Croatian aggression? Why did the Council not insist on making effective United Nations Security Council resolution 824 on safe areas in Sarajevo and elsewhere in Bosnia? Will the airlift be significantly increased to provide desperately needed winter aid to the starving people of Bosnia?

I join the Prime Minister in condemning without reservation the atrocities committed by the so-called Ulster Freedom Fighters in Greysteel, County Londonderry. Let me also express our concern at the shooting of an RUC officer in Newry by the IRA. Does the right hon. Gentleman recognise that these latest outrages have increased the powerful feeling, in Great Britain as well as on both sides of the border in Ireland, that efforts to find a political way forward must be pursued with renewed intensity? Is it not abundantly clear that a cessation of the horrific violence is what is passionately desired by the overwhelming majority in both Great Britain and Ireland?

For our part, we would welcome an early resumption of the talks process. We believe that the elected representatives of the people of Northern Ireland have a moral obligation to return to the negotiating table without preconditions. Any resumption of the talks, however, should take place within the previous three-strand structure, and on the principle that nothing is agreed until everything is agreed.

However, while efforts to persuade the parties to return to the talks will proceed, the two Governments have a responsibility to the peoples of these islands to attempt to develop their own institutional framework for peace. I urge the Government to examine carefully the broad thrust of the six principles outlined by the Irish Deputy Prime Minister; they must accept, however, that those principles contain a fine balance between nationalist and Unionist aspirations, which should not be destroyed by their being treated selectively.

Opposition Members recognise the courageous and imaginative work undertaken by the hon. Member for Foyle (Mr. Hume). We also recognise the political and

[Mr. John Smith]

personal risks that he has taken—not just recently, but over a long period—in an attempt to bring peace to the troubled situation.

May I suggest to the Prime Minister that, whatever progress is made in talks between the constitutional parties in Northern Ireland, the United Kingdom Government and the Government of the Republic must continue to consider ways forward, and not hesitate to develop proposals themselves which could be put to the other parties. The public in both Britain and Ireland are looking in the first instance to their Governments to make and sustain a new initiative for peace.

The Prime Minister: The right hon. and learned Gentleman touched on a large number of important points in my statement. I shall endeavour to respond to all his comments.

I am grateful to the right hon. and learned Gentleman for welcoming enlargement, for which there was strong support from all the Heads of Government at the European Community meeting. There was also support for a completion of the GATT talks by 15 December, police co-operation on Europol and the general efforts to deal with money laundering and organised crime.

As for the economic points that the right hon. and learned Gentleman made, 18 million people are indeed unemployed across the Community at present. It is estimated that that figure will reach 20 million as unemployment rises sharply, particularly in France and Spain, over the next 12 months. An urgent examination of the policies is indeed under way: that is precisely what the White Paper is doing. It will be considered by Finance Ministers in ECOFIN—the Economic and Finance Council—within the month, and then remitted to the Heads of Government for their meeting in Brussels on 9 December.

I think that there is scope for interest rate reductions in some countries in Europe; some have already been made. I said that when I spoke to the Heads of Government meeting on Friday last week. As for the initiative on the European investment fund, the right hon. and learned Gentleman is right to say that it needs legislative cover throughout the Community. Virtually no member state has yet completed the necessary legislative cover, but we shall be able to do so speedily. I look forward to support from the official Opposition when I present the legislation to the House. As for others, I cannot compel them to deal with it speedily, but I have told them in our discussions that I hope that they will be able to do so.

I assume that, in expressing concern about the £300 million, the right hon. and learned Gentleman is referring to European Community funds. We made it clear to the Commission that we expect European Community funds allocated to the United Kingdom to be taken up by the end of this calendar year—not the financial year.

The right hon. and learned Gentleman neglected to mention that many hundreds of jobs will come to London with the European Medicines Evaluation Agency, but I am sure that he will welcome the several hundred direct jobs and the large number of secondary jobs that will be created as a result of that institution coming here. The European Monetary Institute has gone to Germany. That was the

consensus among the Community, and since we are not committed to stage 3, it is unsurprising that the consensus was that it should go elsewhere.

The activities of the Opposition last year did not help our negotiating position. [Interruption.] We will take their attitude to Europe seriously when they cease to obstruct European legislation that they claim to be in favour of. They speak with one voice in Europe but another in the Lobby.

I turn now to the right hon. and learned Gentleman's comments on Bosnia. He has a touching faith in declarations. I am bound to say that he is not dealing with entirely civilised men in Bosnia who are seeking to block the humanitarian aid. We are seeking to open corridors to ensure that we shall be able to get the aid through this winter. That will involve a massive effort. The strain of the effort thus far has been taken by the British and the French. We hope that others will make a larger contribution, and that point was made forcefully in our discussions after the last day.

I can agree with many of the right hon. and learned Gentleman's points on Northern Ireland. Like him, I would welcome an early resumption of the talks under the three-strand process. I am less concerned about the format than the fact of the talks, but it is desirable to get the fact of the talks under way as soon as possible.

There is a great deal in the Tanaiste's six principles with which we can agree—not all of them, but they are a helpful contribution to the debate, and I am happy to acknowledge that that is most certainly so. We wish to work with people to ensure that the talks process is a success. The Government would be willing, if others would find it helpful, to bring forward proposals to provide focus and direction for new talks once they begin. It is a hopeful sign that there seems to be a greater willingness to return to talks. I hope that that willingness will become a reality.

Mr. Norman Lamont (Kingston upon Thames): Is the Prime Minister aware that many people had seen this Council as an opportunity for greater realism on the part of the European Community? Will the Prime Minister explain to the House, given the views that he expressed in *The Economist*, given the break-up of the exchange rate mechanism, and given the views that he has expressed this afternoon about the timetable for monetary union, what is the purpose in going forward with a European Monetary Institute on the timetable envisaged in Maastricht? What will the EMI do? Are we not in danger of being drawn into a further bout of fantasy by the European Community, from which we shall find it difficult to extricate ourselves?

Secondly, there will be support on both sides of the House for the Prime Minister's initiative on Northern Ireland, but may I ask him for the assurance that there is no question of an amnesty for terrorists and no question of any negotiation with anyone who has been involved in terrorism in the past?

Several hon. Members rose—

Madam Speaker: Order. Before the Prime Minister responds, will he allow me to say that many hon. Members are seeking to ask questions? It will be impossible to call all of them unless questions are brisk and to the point, and answers equally so.

The Prime Minister: I shall deal with my right hon. Friend's second point first. There are no political prisoners anywhere in the United Kingdom, so the question of amnesties does not arise in any way.

On the European Monetary Institute, there is indeed much greater realism across the Community, as the declaration from which I quoted a few moments ago illustrates very clearly. As my right hon. Friend will know, stage 2 in no sense infringes our monetary sovereignty and, as he will also recall, stage 2, which was negotiated by myself and my right hon. Friend, was included in the Maastricht treaty and in our domestic legislation, and that treaty and the domestic legislation require it to commence on 1 January.

Mr. Paddy Ashdown (Yeovil): It is a good thing that the Maastricht treaty is now at last in place, but it is, I regret, a bad thing that the Government, under the Prime Minister's leadership, have once again at this special Council led Europe in its retreat from its responsibilities in Bosnia a failure over which many lives will be lost and which will cause much misery in the coming winter.

On Northern Ireland, does the Prime Minister accept that, for whatever understandable reason, there has been a certain loss of political momentum following the breakdown of the cross-party talks a year ago? Does he agree that this is the moment when he and the Irish Taoiseach could take personal charge? I hope that his statement means that that is what they now intend to do.

Does the right hon. Gentleman also agree that the six principles outlined by Dick Spring offer not only an appropriate way forward but some reassurance for the Unionist cause, and that the most important thing that could be done now to give impetus to progress towards peace would be if those who represent the Unionist cause could find it possible to utter some welcome, however guarded and partial, for those principles?

The Prime Minister: I shall deal first with the right hon. Gentleman's remarks on Bosnia. I find his continuing criticism of what has been achieved by this country, our voluntary services and our troops in Bosnia to be contemptible, and I use the word advisedly. It is time that the right hon. Gentleman stopped grandstanding on this issue and learned some of the facts about Bosnia and the realities of what can be achieved.

On Northern Ireland, the Taoiseach and I certainly propose to take a very close interest in the development of these discussions. We are both committed to seeing a success and to doing everything that can realistically be done to bring an end to bloodshed and to bring peace to the people of Northern Ireland. I acknowledge again, as I did a few moments ago, the importance of the principles enunciated by the Irish Deputy Prime Minister a few days ago. They seem to suggest that, in the right circumstances, articles 2 and 3 can be repealed, or at least put to a referendum for repeal, in the Republic of Ireland. I think that that will be very reassuring and that it is a considerable contribution to the search for peace.

Mr. Peter Temple-Morris (Leominster): Does my right hon. Friend accept that the horrors of Northern Ireland place an awesome responsibility on him, on the Government and, indeed, on us all? Does he also accept that a settlement, or at least agreement on progress towards a settlement, would be an achievement of historic proportions for him and for his right hon. Friends?

The Prime Minister: I am grateful to my hon. Friend. I think that no one underestimates in any way the difficulties that lie in the way of progress in the present situation, but I do not believe that anyone who has observed what has happened in Northern Ireland—not only in the past three weeks, horrific though that has been, but in recent years—can be remotely satisfied with the status quo. Nothing that can realistically be done to bring peace and progress should be left undone.

Mr. John Hume (Foyle) rose—

Hon. Members: Hear, hear.

Mr. Hume: May I join the Prime Minister in condemning the horrific slaughter in Greysteel on Saturday evening of so many decent people? May I also say that it is an insult to the memory of the decent people of the Shankill road who were murdered the previous week to use their murder as a reason for murdering others? Let no one be under any illusion: in a divided society, solutions can never be brought about by any form of violence or coercion.

Given that that has been my position and that of my party for the past terrible 25 years, I say that it is the responsibility of all people—especially Governments—to do everything in their power to try to resolve the conflict and bring the violence to an end.

Given that I say that, and note that throughout those 25 years 20,000 troops and 12,000 armed policemen on our streets and stringent security laws have not brought that peace; given that I take the responsibility, which is indeed mine, in circumstances in which I saw a real opportunity—and I mean my words—for achieving a total cessation of violence, which I say is the best opportunity that I have seen in 20 years; and given that the Prime Minister describes me in his statement as courageous and imaginative, why has the right hon. Gentleman rejected my proposals before he has talked to me about them?

The Prime Minister: I think that millions will agree entirely with the hon. Gentleman's remarks about Greysteel and Shankill. Nothing can justify the sort of action that we saw in Greysteel. As I indicated over the weekend, revenge simply breeds revenge—each death leads to another death—and that is no way forward for Northern Ireland.

May I repeat what I said in the statement? I have a great deal of admiration for the persistence and the courage with which the hon. Gentleman has, through many years, pursued a settlement in Northern Ireland. I have not always agreed with the way in which the hon. Gentleman has pursued that end, but I have always admired his courage and his determination to do so.

I have to make a judgment as to whether the actions that are taken will lead to the consent throughout every aspect of the community that is the irrevocable necessity if one is to have a settlement that will endure for a long period. I listened very carefully to what the Taoiseach had to say. The hon. Gentleman and I met some time ago. I believe that the hon. Gentleman has asked to see me again. I confirm to the hon. Gentleman that I am happy to meet him and I look forward to doing so, and to meeting also the leaders of the other constitutional parties in Northern Ireland. My door to them is open for constructive help towards reaching a settlement, from whatever source—any democratic source—it may come.

[The Prime Minister]

But I had to make a judgment on whether I thought that the proposals reached by the hon. Gentleman, at this time, and in the fashion that he proposed them, would actually lead to progress and to a settlement. I reached the conclusion—after having been informed of them by the Taoiseach, as we said in our statement over the weekend—that that was not the right way to proceed, and for that reason I said earlier today that I believe the way forward is the way set out in the joint statement that the Taoiseach and I issued on Friday.

Rev. Ian Paisley (Antrim, North): I should like to associate myself with what the hon. Member for Foyle (Mr. Hume) said in condemning without reservation all the murders that have been taking place in our land. There is no difference between the tears of Protestants and the tears of Roman Catholics. These murders come from hell and lead to hell and there can be no justification for them on any grounds whatever.

Is the Prime Minister aware that the people of Northern Ireland will be listening carefully to what he is saying today? As he said in his statement that the document resulting from the Hume-Adams talks, as they are called, was not delivered to him but that the Taoiseach made some comments upon it, can he tell the House and the people of Northern Ireland what detail of that document led him to reject it? This House and the people of Northern Ireland should know that.

May I also tell the right hon. Gentleman that many people in Northern Ireland are alarmed by the communiqué that was issued, especially point 5:

"The Prime Minister and the Taoiseach agreed that any initiative can be taken only by the two governments"

Can the right hon. Gentleman explain to the people of Northern Ireland what difference there is between that and joint sovereignty? Surely the Government, and the right hon. Gentleman as Prime Minister, are the only people who can take an initiative in the internal affairs of Northern Ireland.

The Prime Minister also told the House today that, when the time is ripe, there is going to be a change in the constitution of the South. The people of Northern Ireland will be asking the Prime Minister, now many more Shankill roads and Greysteels must we have to bring about the ripening of the time?

The Prime Minister: To an extent, the hon. Gentleman answered part of his own question in the second part of his question. We need a settlement that will last. I do not think that the hon. Member for Antrim, North (Rev. Ian Paisley), any more than I or any hon. Member, is simply looking for a short-term ceasefire. We are looking for a permanent cessation of violence. That is what we are seeking. That means that some of the action—for example, the action that will bring comfort in the North on articles 2 and 3—must necessarily be taken by the Government of the Republic of Ireland and not by us. It is right that we should work together to see whether we can produce peace in Northern Ireland.

So far as the document is concerned, I reiterate that I have not read it. Having spoken to the Taoiseach, I am aware of the document's contents. As I said to the hon. Member for Foyle, I made the judgment, on the basis of

that, that I did not think that it would lead to consent across Ireland and should not therefore be proceeded with in the form in which it existed.

Mr. William Ross (Londonderry, East): The horrific assault at Greysteel in my constituency on Saturday night has rightly drawn down the universal condemnation of all right-thinking people in Northern Ireland and their public representatives. May I say to the Prime Minister that the people in the area were very glad to see the Secretary of State paying a visit there yesterday. He was very much welcomed.

That atrocious attack left seven people, most of whom were my constituents, dead. Does the Prime Minister understand that universal condemnation—welcome though that is—is not enough? Actions speak much louder than words. Did the Prime Minister therefore ask Mr. Reynolds to close down places like the Republican News Bureau in Dublin, from which all the statements by the IRA are issued?

Will the right hon. Gentleman now give the most careful attention to selective detention, to behead the terrorist organisations of their control and command structures? Before he starts that, will he read the excellent article that appeared in the Irish edition of *The Sunday Times* yesterday on that subject, which unfortunately was not printed in the British editions? That article will clarify everyone's thinking. Does the Prime Minister also agree that swift and vigorous action is now necessary to restore confidence and to get rid of the massive fear that exists throughout Northern Ireland?

The Prime Minister: The slaughter of the hon. Gentleman's constituents in Greysteel was unforgivable. I hope that he will understand and pass to his constituents the depth of sympathy that exists in this House and across the country for the people who suffered in that attack and for their families.

We are in constant contact with the Government of the Republic of Ireland about security matters. There have been substantial improvements in security co-operation and cross-border co-operation over recent years. That is a continuing programme. It is not something that is begun and ended. A whole range of matters are continually under discussion.

As for selective detention, I have noted the public debate on the arguments for and against internment. This is, of course, an option which remains open to the Government. It would not, I think, at the moment be appropriate for me to comment on the circumstances in which that option might necessarily be used. It is there, and I do not rule it out.

Sir James Kilfedder (North Down): I associate myself wholeheartedly with the political initiative by the Prime Minister. With the Irish Republic's acceptance, if such be the case, that there can be no change in the constitutional position of Northern Ireland without the consent of the majority there, and the promised removal, if such be the case, of articles 2 and 3 of the Irish constitution, it would seem sensible and desirable that the talks between the constitutional parties should be resumed as soon as possible. Does my right hon. Friend agree that every public representative in Northern Ireland should now call upon the people unequivocally to support the security forces in their fight to defeat terrorism, which presents a bar to political progress?

The Prime Minister: I entirely agree with my hon. Friend upon that issue. The Taoiseach has indicated acceptance of the principle of consent in Northern Ireland on the constitutional guarantee, and the Deputy Prime Minister in Ireland, of course, has indicated the possibility of putting a referendum on articles 2 and 3 to the people in the Republic.

My hon. Friend is entirely right about the need for the security forces to have the complete support of the people and of the leaders in Northern Ireland. There must be within Northern Ireland people who have information about those who have taken part in terrorist activities over recent weeks. I would appeal to those people to come forward with that information. It requires an act of bravery to do so, but that bravery, if they do so today, may prevent more slaughter, mayhem, death and misery for other families at a later stage.

Mr. David Winnick (Walsall, North): Is it not rather disappointing, to say the least, that the reaction of many Unionist politicians over the weekend to the constructive proposals that were put forward by the Irish Foreign Minister was to dismiss them as simply blarney? If agreement could be reached between the two Governments which accepts, or course, that the majority of the people in Northern Ireland have a right to stay in the Union but also makes other proposals leading to power-sharing in the North, would the Prime Minister carefully consider having a referendum in the United Kingdom as a whole? Although there might be a referendum in the Republic, the people of the United Kingdom could have an opportunity of deciding on those proposals prior to any parliamentary approval. Would not that be one way forward to overcome any veto by politicians in the North?

The Prime Minister: I am not at all sure that it would be helpful to making progress to comment on every aspect of what the hon. Gentleman says, although I understand what compels him to say it.

Perhaps I could make this point, which is relevant to the position in Northern Ireland: for too long the concerns of many people in Northern Ireland have been dominated by fears—some rational, some irrational—at each extreme of debate. What I think we have to do, if we are to work with the constitutional leaders in Northern Ireland to provide a settlement, is to try to offer the guarantees and certainties that will ensure that the extreme views that are so often put do not carry favour with the majority of people in Northern Ireland.

Once those fears and uncertainties are put to rest, I believe that we will have a much better climate in which we can work with all the constitutional leaders in Northern Ireland and try to promote a settlement that will end the bloodshed. Therefore, the way ahead that we proposed is the right one, although I note the hon. Gentleman's comments.

Sir Teddy Taylor (Southend, East): Has any estimate been made of the expenditure involved in the many bodies that were set up at the Council meeting? Although I agree very much indeed with what the Prime Minister said about economic policy, does he accept that the best that we can now do in the House of Commons is to wish him well, observing that the European union requires that the broad outlines and guidance of economic policy will now be determined by the Council by majority vote under article 103, which applies to us as well as to other member states?

The Prime Minister: As my hon. Friend will know, those are guidelines, and they were negotiated by my right hon. Friend the Member for Kingston upon Thames (Mr. Lamont) and myself in the Maastricht negotiations some time ago. On the substantive matter of the European union, the European union gives rise to a good deal of misunderstanding among people. It simply consists of the so-called three pillars—the European Community plus the arrangements for intergovernmental co-operation—I emphasise the word "co-operation"—in foreign and home affairs. "Union" is a way of describing that three-pronged structure, and it is nothing more than that.

I cannot immediately give my hon. Friend, off the cuff, the costs of those new institutions. Many of the institutions were agreed in principle many years ago, and there has been a delay in establishing them until the matter of sites was concluded. My hon. Friend will agree, for example, to take but one illustration, that the advantage of establishing Europol, if it is successful in dealing with drugs and crime money, is expenditure that, for all the people of Europe, will be seen as well worth while.

Mr. Tony Benn (Chesterfield): Is the Prime Minister aware that there will be great disappointment that he has rejected the proposals which my hon. Friend the Member for Foyle (Mr. Hume) has been discussing? Given that Mandela was convicted of terrorism and has just won a Nobel prize, that Arafat was once refused permission to enter America and has now entered into meaningful discussions with the Israeli Government, and that David Owen is in Yugoslavia talking with men associated with violence, is it not time to look at the proposal put forward by the Irish Government 25 years ago, that the United Nations might send a mediator who would be able to talk to everybody in Ireland? The Prime Minister's refusal to have talks with everybody is now an obstacle to a peaceful settlement.

The Prime Minister: The right hon. Gentleman's implication is that he would talk to men engaged in violence. That is not a position that I or the leaders of any of the constitutional parties in Northern Ireland hold. It may be the right hon. Gentleman's view, but in a democracy such as the United Kingdom, that is not the way to proceed.

The right hon. Gentleman speaks almost for himself—

Mr. Dennis Skinner (Bolsover): No.

The Prime Minister: Well, for himself and perhaps the hon. Member for Bolsover (Mr. Skinner)—not together a weighty crowd.

I respect and admire the efforts of the hon. Member for Foyle—I mean that; I am not saying it as a matter of form—but it is my view and that of the Irish Prime Minister that we cannot proceed with those proposals.

Sir Peter Hordern (Horsham): As to the European Commission's White Paper on growth and unemployment, will my right hon. Friend confirm that the Government's opinion is that economic growth cannot be obtained by increasing public spending, still less by raising taxes? Will he further confirm that the best way to achieve economic growth is to cut European bureaucracy and arrive at a successful conclusion of the Uruguay round? Will my right

[Sir Peter Hordern]

hon. Friend say what success Mr. Delors and the Commission are having with the French on the latter matter?

The Prime Minister: There was complete agreement at the Council that we need a satisfactory settlement of the Uruguay round by 15 December. There was no suggestion by any participating state that that was not a desirable goal. I hope that progress is being made in dealing with the particular difficulties of agriculture in France. There are difficulties in concluding the Uruguay round with other countries beyond the European Community.

My right hon. Friend's points about economic development are entirely mine, and I would not wish to add to them. He makes the point that it is supply side changes that will lead to further growth and more jobs in Europe, not an excess of centrally funded expenditure.

Dr. Joe Hendron (Belfast, West): I join all other hon. Members in condemning the massacre in Greysteel, and the UFF/UDA. I hope and pray that the young policeman shot by the Provisional IRA in Newry makes a speedy recovery.

Is the Prime Minister aware that, as long as murderers are stalking the streets of Northern Ireland, especially in west and north Belfast, people are living in terrible fear? It ill behoves anyone to criticise those who are trying to end murder. I do not wish to make political points about articles 2 and 3 or Select Committees; I am asking the House how we can end murder and slaughter on our streets. Of the 23 people murdered in the past eight days, 12 have come from the edge of west Belfast, the Shankhill road, or from the centre of my constituency, Kennedy way.

My friend and colleague the hon. Member for Foyle has made courageous efforts to try to end the violence and the existence of one of the killing machines. Bearing that in mind, will the Prime Minister use his close relationship with the Official Unionist party to persuade its Members of Parliament and colleagues in local government to speak directly to the UFF, the UDA and the Democratic Unionist party, to try to persuade them to end their terrible campaign of violence?

The Prime Minister: I have to say that I doubt whether the constitutional politicians of Northern Ireland have any authority over these murdering butchers. That is undoubtedly the case, whether those murdering butchers are members of the UFF or the IRA. We are dealing with people who are beyond the pale of civilised behaviour, and it does not lie within the remit of any hon. Member to be able to talk them out of their behaviour. I wish it were the case that hon. Members could, but events of recent years have shown that they cannot.

The hon. Gentleman may have implied that I was critical of his hon. Friend the Member for Foyle. As I said earlier, I am not, and I am happy to reiterate that. The fact that I have chosen, for the reasons that I have set out, to say that we cannot take his hon. Friend's proposals further in their present form does not imply a criticism of his hon. Friend's activities or his courage in recent years. I happily make that point plain again.

How are we to deal, asks the hon. Gentleman, with the fear that exists on the streets of west Belfast and elsewhere? The answer is to continue to give the fullest possible support to the security forces and the Royal Ulster

Constabulary. Against the sombre background of the murders committed in the past few days, we should not lose sight of the many achievements of the security forces in recent months. This year, some 50 people have been charged with murder or attempted murder, 3,600 kg of explosives have been recovered—more than twice as much as in the comparable period in the previous year—and 164 firearms and 42 rockets and mortar launchers have also been recovered. Many attempted attacks have also been prevented. Three such attempts have been intercepted in the past three weeks, and six people have been charged as a result.

The security forces are always in the light of public criticism when events of the type that we have seen in recent days occur, but we should also recall their many successes, not all of which can be made public.

Sir Michael Grylls (Surrey, North-West): Does my right hon. Friend accept that most people in the country would recognise that he took exactly the right line at the European summit when he insisted on dealing with practical issues such as competitiveness rather than airy-fairy dreams for the next century? In that respect, would my right hon. Friend also agree that, since Britain and America have been far more successful in creating new jobs in recent years than continental Europe, he should continue to use his influence to press the other EC countries to lighten the burden on business—for example, by removing of red tape, as he said earlier? That burden should be lifted particularly from small and medium-sized firms, because they will create the new jobs that we all want to see in Europe.

The Prime Minister: My hon. Friend is quite right. That is why we took the initiative to help small and medium-sized companies with extra resources from the European investment fund. It is a fact that, if the Community had been as successful in the past 14 years in creating jobs as other countries in the OECD have been, we might have 9 million fewer unemployed in the Community.

It is also the case that, in the past 20 years, the Community's relative share of world trade has reduced. Part of that reduction was entirely to be expected as countries in the Pacific basin in particular began to industrialise, but the loss in the share of world trade implies a significant lack of relative competitiveness. That is a problem that we need to address.

It is a striking statistic—one that I have used before, but it is worth repeating again—that, given the same growth in the past 20 years, the United States has created four jobs for very single job created throughout the European Community.

Mr. Dennis Canavan (Falkirk, West): Would the Prime Minister remind supporters of internment that its reintroduction would almost certainly be counter-productive, because on the last time it was tried, it turned out to be an effective recruiting sergeant for the paramilitaries, and the violence went from bad to worse?

Does the Prime Minister agree that the best way in which to proceed in the quest for peace would be to invite all the interested parties to a constitutional conference and to make it absolutely clear, right at the outset, that, if a party or parties boycotted those talks, they would nevertheless proceed, with a view to finding a just and peaceful solution to end the appalling bloodshed?

The Prime Minister: I set out my views on internment a few moments ago, and I have nothing to add. There are many lessons to be learned from experiences on previous occasions. Simply to call a constitutional conference with great hopes built up for it and then to see it fail may not be the most practical way forward.

What is right, which is implicit in the hon. Gentleman's question, is that we should continue discussions to find the maximum amount of agreement that exists between the constitutional parties, and then focus on the areas of disagreement and see how we can eliminate them. That is the intention of the talks that are proceeding, whether one calls them an intergovernmental conference or a constitutional conference. What is sought from them is what the hon. Gentleman was seeking with his proposal.

Mr. Andrew Hunter (Baskingstoke): Continuing with the question of Northern Ireland, does my right hon. Friend agree that constitutional uncertainty has been and remains a breeding ground for terrorism in Northern Ireland? Does he further agree that Northern Ireland, *de facto* and *de jure*, is part of the United Kingdom because it is the democratically expressed wish of the people of Northern Ireland; and that, important though the search is for a political formula, it is equally important to assure the people of Northern Ireland and of Great Britain who has experienced terrorist outrage that the security response is commensurate with the increased threat of terrorism?

The Prime Minister: We must certainly ensure that the security response is commensurate with the increase in terrorism, and we remain in close touch with the General Officer Commanding British forces and, of course, with the leaders of the Royal Ulster Constabulary. As chairman of the Back-Bench committee on Northern Ireland, my hon. Friend speaks with considerable authority of the difficulties that he sees in Northern Ireland. I confirm his observation that Northern Ireland is a part of the United Kingdom and that, under the constitutional guarantee, it will remain so until and unless a contrary view is taken by the people of Northern Ireland.

Mr. Jim Marshall (Leicester, South): May I bring the Prime Minister back to the question of Northern Ireland and hope that I get an answer from him today? In answer to one question, the Prime Minister said that he still favours a three-strand approach. Does he accept the position that was adopted by predecessor some time ago—that there can be no agreement on any especial strand until there is agreement on all three?

The Prime Minister: The answer to that question is yes.

Mr. Patrick Nicholls (Teignbridge): Would my right hon. Friend agree that, if the Government of the Republic of Ireland are as committed to war against the IRA as Her Majesty's Government, that offers an opportunity for the IRA and Sinn Fein to be proscribed in both countries, so that a proper military offensive can be conducted against them? Would not that mean that there would be no hiding place at all for them on the island of Ireland, and that, although it maybe a rather sombre assessment, it is likely to be more realistic than the courageous efforts by the hon. Member for Foyle, which would require us to sit at a bargaining table with terrorists?

The Prime Minister: We remain in close consultation with the security forces in the Republic of Ireland, and that will continue. It is improving all the time, and I expect it to continue to improve; I would not wish to go further than that on this occasion.

Ms Kate Hoey (Vauxhall): I welcome the Prime Minister's call for constitutional parties in Northern Ireland to get round the table as quickly as possible. Does he agree that there is a huge democratic deficit in how we govern Northern Ireland at present, and that, while it is part of the United Kingdom, we should surely treat it in the same way as we treat other parts of the United Kingdom? Some hon. Members greatly support the setting up of a Select Committee on Northern Ireland. Did he discuss that with the Taoiseach? Did he have any views and if he did, what was the Prime Minister's response to his views?

The Prime Minister: I agree with a great deal of what the hon. Lady has said. I did not discuss the setting up of a Select Committee of this House with the Head of Government of the Republic of Ireland. That is a matter for the House. I certainly did not discuss it. It is a matter to be considered by the Procedure Committee. I understand that the Committee is examining it, and in due course, we shall consider any report that it may produce.

The hon. Lady is entirely right about a democratic deficit in Northern Ireland; there is a democratic deficit. It is precisely because we strongly share her views on that that we wish to make progress in the talks so that we can devolve a proper system of local government—an enhancement of democracy for local politicians in Northern Ireland.

Mr. Peter Bottomley (Eltham): Does my right hon. Friend agree that the murderers need to be limited in their physical capability? It needs to be made clear to those on both sides that the violence and the killing will bring no advantage to them. It is important to go on working so that their supporters put pressure on them to reduce their capability. May I sum up by saying that each part of the community must protect the other just as much as it tries to protect itself? Is not that a welcome small silver lining in the ghastly cloud hanging over Northern Ireland?

The Prime Minister: It is. One of the horrific ironies of the murders in Greysteel the other day is that members of both the Protestant and Roman Catholic communities were murdered in the attack. My hon. Friend is entirely right about that.

On my hon. Friend's first point, I can give a categorical assurance that there is no way in which the continued murdering and killing by anyone, whether from the Protestant side or from the Catholic side, will affect the Government's policies and it will not gain anyone anything in terms of democratic advantage.

Mr. Skinner: Is not the Prime Minister aware that when he speaks to my right hon. Friend the Member for Chesterfield (Mr. Benn) about dealing with terrorists, the people outside Parliament understand only too well that the Government have dealt with terrorists over the decades? They are dealing now with the Chinese Government who were responsible for the massacre in Tiananmen square only a few years ago.

Will the Prime Minister understand that, if we are to follow the success of the Arafat-Rabin talks, we must have talks not in the Irish Republic or in Britain, but in a neutral

[Mr. Skinner]

country? The way to get things off the ground is not to deal with the Conservative Government, who are in league with the Ulster Unionists who deliver them votes in the House of Commons, or with those in the Irish Republic, but to start the process in a neutral country. Such a policy resulted in success in the middle east, and that is the only way in which success can be achieved now.

The Prime Minister: As ever, the hon. Gentleman is very lucid, and as almost ever, he is entirely wrong. If the implication of his remarks is that we should sit down and talk with Mr. Adams and the Provisional IRA, I can say only that that would turn my stomach and those of most hon. Members; we will not do it. If and when there is a total ending of violence, and if and when that ending of violence is established for a significant time, we shall talk to all the constitutional parties that have people elected in their names. I will not talk to people who murder indiscriminately.

Mr. David Faber (Westbury): In the course of his discussions on Bosnia, was my right hon. Friend able to bring to the attention of his European counterparts the remarks last week of the senior British officer in Bosnia, Brigadier Angus Ramsay, who described Croat soldiers as "scum"? Given the appalling atrocities that continue to be carried out by regular Croat army troops in Bosnia, was my right hon. Friend able to make any progress towards the long overdue sanctions against Croatia?

The Prime Minister: The question of further sanctions anywhere in the former Yugoslavia did not come up in the discussions. It did not come up in the discussions between the Heads of Government. To the best of my knowledge—unless I am corrected by my right hon. Friend the Foreign Secretary—the question did not come up in the parallel discussions at Foreign Minister level.

Mr. John Home Robertson (East Lothian): Everyone in Britain and in the island of Ireland desperately wants progress towards peace and a settlement in Northern Ireland. Is the Prime Minister aware that people find it difficult to understand why someone holding the office of Prime Minister in Britain is nit-picking about the proposals by my hon. Friend the Member for Foyle, which he apparently has not even seen yet? Can the right hon. Gentleman give an assurance that he will not allow his dependence on Ulster Unionist votes in the House to obstruct progress?

The Prime Minister: I would have thought that, even by the standards of the hon. Gentleman, that was rather cheap. Let me remind him that the position that I took on the initiative of the hon. Member for Foyle was taken also by the Taoiseach, who is not a Member of the House and is not dependent on the votes of any Member of the House. As I said earlier, there are no special agreements or deals with any other parties in the House. That has been stated by me and by others. The hon. Gentleman may smirk like a juvenile, but he falls well below the level of events with that sort of remark.

Mr. Ian Taylor (Esher): Does my right hon. Friend agree that we do not need to be defensive about the creation of the European union as of today, because it underlines the

fact that the progress in the Europe of tomorrow will be on an intergovernmental basis and not just on a better defined set of Community institutions?

Will my right hon. Friend put maximum emphasis also on the workings of the European Monetary Institute? Even if this country does not want to be part of a single currency, it is vital that we encourage the convergence criteria within the European Community so that we can benefit from the stability that will emerge. It is vital also that we underline the importance of the single market, because if that were ever questioned, through currency instability, jobs in this country would be at threat.

The Prime Minister: My hon. Friend is entirely right. Co-operation by consensus, by universal agreement across the Community, is a sensible way of progressing whenever it is appropriate. That is what happens under the three-pillared approach that was agreed in the Maastricht treaty. It is not a question of compulsion; it is a question of agreement. Where that agreement can be reached, we are stronger collectively and individually.

As far as the convergence criteria are concerned, they occasionally raise the hackles of some hon. Members, but the reality is that the convergence criteria are precisely the sort of sound economic policies that some of those who oppose them under the European label urge on me in other circumstances. The reality is that they are nothing more or nothing less than sound economic management.

Several hon. Members rose—

Madam Speaker: Order. We must now move on.

Mr. Simon Hughes (Southwark and Bermondsey): On a point of order, Madam Speaker. Next weekend but one, the country will stop in its business for about two minutes to pay tribute to those who have died in two world wars, and will try to ensure that we as a nation learn the lessons of that.

The past hour has demonstrated the concern that is felt across the House for the people of Northern Ireland—across party, religion and denomination. I seek your guidance so that we can reflect the anger and solidarity, not only of Members of the House but of our constituents, who feel with and for their brothers and sisters on the other side of the Irish sea, on how we might appropriately show that.

There have been 3,000 people killed as a result of what has gone on in Northern Ireland: 2,000 were civilians; the remaining 1,000 were either in the police or armed forces. I do not think that there is a precedent, but I wonder whether you would permit, either between now and the end of today, or this week, the House to be adjourned or suspended for a moment or two to mark the universal disapproval of terrorism and of terrorists, and to reflect the cross-party resolve in the House, to try to see that no effort is spared to ensure that peace comes to Ireland as soon as possible?

Madam Speaker: I fully understand the hon. Gentleman's motives in putting his suggestions to me, and I appreciate the way that he put them.

There is undoubtedly complete disapproval in all sections of the House of what has taken place in Northern Ireland recently. Expressions of profound sympathy with the sufferings of Northern Ireland, and of concern for its future too, have been heard from every quarter of the House in recent days. As we have heard following the

statement today, those expressions have been reconfirmed by every Member whom I have called and who represents the varying points of view of the parties in the House.

Let there be no doubt that I share those sentiments—as I am sure does every hon. Member—as Speaker of the House of Commons, although I do not speak on those matters. We have recorded the sentiments that we feel about the happenings in Northern Ireland in recent days. I think that one of the best tributes that we can pay to the families there and to the people who have suffered is that we let those sentiments be known, as we have done today, and go on with our proceedings. I hope that hon. Members will support me in that.

Rev. Ian Paisley: On a point of order, Madam Speaker. On behalf of the people of Northern Ireland, I thank you for those remarks. They will be helpful to us all.

Madam Speaker: I am very touched by that.

Orders of the Day

Railways Bill

Lords amendments considered.

Clause 4

GENERAL DUTIES OF THE SECRETARY OF STATE AND THE
REGULATOR

Lords amendment: No. 1, in page 4, line 46, at end insert—

("() The Secretary of State shall also be under a duty, in exercising the functions assigned or transferred to him under or by virtue of this Part, to promote the award of franchise agreements to companies in which qualifying railway employees have a substantial interest, "qualifying railway employees" meaning for this purpose persons who are or have been employed in an undertaking which provides or provided the services to which the franchise agreement in question relates at a time before those services begin to be provided under that franchise agreement.")

4.40 pm

The Minister for Public Transport (Mr. Roger Freeman): I beg to move, That this House doth agree with the Lords in the said amendment.

Madam Speaker: With this it will be convenient to take Lords amendments Nos. 2 and 3.

Mr. John Heppell (Nottingham, East): On a point of order, Madam Speaker. I seek your guidance. During the passage of the Bill in Committee, 713 amendments and 32 new clauses were tabled. On report, we debated 252 amendments and 28 new clauses. We are now faced with another 470 Lords amendments and new clauses. Is there a parliamentary procedure to prevent the Government from tabling new amendments at this late stage and effectively changing their earlier promises?

Dr. John Marek (Wrexham): Further to that point of order, Madam Speaker. I am concerned about the matter. You must have seen the myriad amendments and new clauses that have been tabled. It makes me think that my service on the Standing Committee was a complete waste of time because we have a new Bill before us. Is there no way to send this botched job back to the Government draftsmen so that they can come up with something new that we can consider in detail, and in enough time? Effectively, we have a new Bill before us and only two days in which to consider it. It is a travesty of the rules of Parliament.

Madam Speaker: There is a great deal of responsibility on the Ministers whose task is to persuade the House to agree with the amendments. The ball is in their court.

Mr. Freeman: I hope that the House will find several of the groups of amendments that we shall be considering today and tomorrow relatively uncontroversial, although I recognise that some are controversial. My noble Friend and the Minister for Aviation and Shipping, gave detailed explanations of many of the amendments and I hope that the House will have had the chance, to the extent necessary and prudent, to study his remarks.