



**BRITISH-IRISH
INTER-PARLIAMENTARY BODY**

**COMHLACHT IDIR-PHARLAIMINTEACH
NA BREATAINE AGUS NA hÉIREANN**

THIRTY-THIRD PLENARY CONFERENCE

23 and 24 October 2006

The Waterfront Hall, Belfast

OFFICIAL REPORT
(Final Revised Edition)

(Produced by the British-Irish Parliamentary Reporting Association) 1

IN ATTENDANCE

Co-Chairmen

Mr Pat Carey TD
Rt Hon Paul Murphy MP

Members and Associate Members

Mr John Austin MP Mr Paul Flynn MP Rt Hon Michael Mates MP
Mr Tony Baldry MP Mr Jim Glennon TD Mr John McFall MP
The Baroness Blood MBE The Lord Glentoran Mr Eddie McGrady MP
Senator Paul Bradford The Lord Gordon of Strathbane Ms Rosemary McKenna MP
Mr Johnny Brady TD The Baroness Goudie Senator Paschal Mooney
Deputy Alan Breckon Mr Dominic Grieve MP Mr Arthur Morgan TD
Rt Hon The Lord Brooke of Sutton
Mandeville CH PC
Mr John Griffiths AM Senator Francie O'Brien
Mr John Carty TD Mr Robin Harper MSP Ms Liz O'Donnell TD
Mr Paudge Connolly TD The Baroness Harris of Richmond Mr Jim O'Keeffe TD
Dr Jerry Cowley TD Senator Brian Hayes Senator Mary O'Rourke
Mr Bruce Crawford MSP Ms Cecilia Keaveney TD Mr Séamus Pattison TD
Mr Seymour Crawford TD Mr Séamus Kirk TD Mr John Robertson MP
Ms Glyn Davies AM Senator Terry Leyden Mr Chris Ruane MP
Mr Jim Dobbin MP Dr Dai Lloyd AM Senator Brendan Ryan
The Lord Dubs Ms Elfyn Llwyd MP Mr Iain Smith MSP
Ms Helen Eadie MSP Mr Eddie Lowey MLC The Lord Smith of Clifton
Mr John Ellis TD Mr Andrew Mackinlay MP Deputy Mike Torode
Mr Damien English TD Senator Martin Mansergh Mr Murray Tosh MSP
Mr Jeff Ennis MP Dr John Marek AM Mr Robert Walter MP
Senator Diarmuid Wilson

ALSO IN ATTENDANCE (FOR ALL OR PART OF PROCEEDINGS)

The Secretary of State for Northern Ireland and Wales, the Rt Hon Peter Hain MP
Mr Peter Bunting and Ms Patricia McKeown (Irish Congress of Trade Unions)
Mr Adam Ewart (Karacha)
Mr Duncan Morrow (Northern Ireland Community Relations Council)
Sir George Quigley (Bombardier Aerospace)
Mr Michael Wardlow (Integrated Education Movement)

STEERING COMMITTEE

Co-Chairmen

Mr Pat Carey TD
Rt Hon Paul Murphy MP

Members

Mr Seymour Crawford TD
The Lord Dubs
Mr Séamus Kirk TD
Mr Dai Lloyd AM
Rt Hon Michael Mates MP
Deputy Mike Torode
Mr Murray Tosh MSP

OFFICIALS

Joint Clerks of the Body

Ms Alda Barry, British Clerk
Mr Eoin Faherty, Irish Clerk

Irish Policy Advisor

Miss Maire Flanagan

Delegation Clerks

Scotland Mr Ian Perry
Wales Mr Peter Kellam
Ireland Ms Tara Wharton

Committee Clerks to the Body

Committee A: Sovereign Matters Miss Maire Flanagan
Ms Nerys Welfoot

Committee B: European Affairs Mr Mike Clark
Ms Elaine Hollowed

Committee C: Economic Miss Elaine Hollowed
Miss Tracey Garratty

Committee D: Environmental and Social Ms Audrey Nelson
Ms Elaine Hollowed

British and Irish Secretariats Mrs Veronica Carr
Sir Michael Davies KCB
Mrs Amanda Healy

Media Adviser Mr Mike Burns

Support Staff David Mulligan

British-Irish Parliamentary Reporting Association

Reporting team for 33rd Plenary Meeting

Ms Emma Brazier
Mr Colman Cassidy
Ms Martha Davison
Mr Ian Lavery
Mr John Vice
Mr Shon Williams

Monday 23 October 2006

The Body met at 9.41 am.

PLENARY BUSINESS

The Co-Chairman (Rt Hon Paul Murphy MP): Good morning friends. It is good to see you all here in the Waterfront Hall in Belfast. This is an historic occasion for us as a Body because this is the first time that the whole Body has formally met in this city, and indeed in Northern Ireland. As you know, of the two plenary conferences that we have each year, this is the one that is held in the United Kingdom, and we are going to Dublin next year. It is a great experience to be here in Belfast and for the Body to meet here for the first time.

My first experience of this hall was the day that Prince Charles opened it. I was then a Minister of enormous standing of three days, and I recall that upstairs we were listening to a lovely symphony orchestra at the opening ceremony when I was suddenly told that a bomb had gone off in the law courts opposite. I was then whisked away in a fast car and wondered what was happening to me. The world has changed dramatically since that occurred in 1997. I think that everybody will agree, as they walk about in Belfast, as you have done over the past day or so, that physical changes have occurred here in Northern Ireland as a result of the peace and political process over the years. That has happened not just since 1997 but since before that, when Peter Brooke was here and started the process off. The world has changed dramatically. The first session this morning, which Pat is going to chair, is about the economic situation here in Northern Ireland, which is perhaps the most telling example of the change that has come about. The number of people who are now in work in Northern Ireland is greater than it has ever been; the number of people who come here as tourists has never been greater; Northern Ireland's GDP is as high as it has ever been. These are indicators of huge change, but what is certainly as significant is the fact that you can now walk into the shopping centre across the road and shop in the way that you can in any town or city in Ireland or Britain. That was not possible in 1997 when I first came to Northern Ireland as a Minister, and that is a measure of what has happened. We are again, I hope, on the threshold of enormous change. Hopefully, the Assembly, which has been dormant for too many years, will govern this place in the months ahead, so that the Ministers who take the big decisions on schools, on hospitals or on whatever it might be, are from Northern Ireland and accountable to the people of Northern Ireland.

I must say that, in five years as a Minister here, I felt distinctly uncomfortable at times having to take decisions on matters such as hospitals, schools and planning, when not a single person here voted for me or my party. Of course, direct rule Ministers are here for a purpose — to ensure that there is good governance and that governance carries on. But at a time when those of you here who represent the Scottish Parliament, the Assembly in Cardiff in my own country or, indeed, legislatures in the Isle of Man or Jersey and Guernsey, govern your own affairs — and, in the case of Scotland and Wales, increasingly so — it seems to me extremely ironic and incongruous that we have people here who can do, have done and will do a very good job as Ministers, and yet because of the situation in the past few years they have not been able to agree to form an Executive. Hopefully, we are on the verge of that occurring.

The St Andrews Agreement was a very good start. You and I know that things have to happen between now and 25 November. I do hope and pray that there will be progress and that the people of Northern Ireland will have their own Executive and their own Assembly. It is not just about running their own business or running their own country — their own part of the world. It is also about governing together. One vital aspect of the Good Friday Agreement, the Belfast Agreement, was that the business of the Executive brought people together to govern this place in a very special way. That is indeed unique. By governing together you make peace, political progress and prosperity together.

So, welcome to you all. You are here at a very important time, and it is, as I said, an historic gathering. We have a very interesting programme, particularly today. I have asked Pat if he will chair the first part of this morning's proceedings.

Before I hand over, I have to remind you to knock off your pagers, mobile phones and beepers. Most significantly, I remind you that the proceedings of this Body do not attract parliamentary privilege, so you cannot say exactly everything that you might like to say in your own Parliaments. I hope that I have not said anything so far that will cause difficulty.

9.45 am

NEW MEMBERS

The Co-Chairman (Rt Hon Paul Murphy MP): Since the last plenary meeting, we have had a number of changes to our membership. From Ireland, Senator Paul Bradford has become a full Member in place of Senator Joe McHugh, who has become an associate Member. For the United Kingdom, Mr Joe Benton MP has replaced Mr Steve McCabe MP as a full Member and Mr John McFall MP has become an associate Member; and for Scotland, Mr Bruce Crawford MSP has replaced the late Margaret Ewing MSP, and Mr Alasdair Morgan MSP has become an associate Member.

ASSOCIATE MEMBERS

The Co-Chairman (Rt Hon Paul Murphy MP): I have to inform the Body that in accordance with Rule 2a the following associate Members have accepted the invitation of the steering committee to assume the powers and responsibilities of Members for the whole of the session: from Ireland, Mr Paudge Connolly TD and Senator Terry Leyden; from the United Kingdom, Mr John Austin MP, Mr Jim Dobbin MP, Lord Gordon, Baroness Harris and John McFall MP; and from Scotland, Helen Eadie MSP and Robin Harper MSP.

I should also inform Members — this is very important — that at the conclusion of item 4 this afternoon, at 3.30 pm, we will all have our photograph taken.

PROGRAMME OF BUSINESS

The Co-Chairman (Rt Hon Paul Murphy MP): I move that the proposed order of business be adopted. Are there any objections to the proposed order of business?

Senator Brendan Ryan: I am a little disappointed—I think that many people from the Republic may feel the same—that, following a weekend in which something horrific happened just south of the border, we have no report on progress on mutual recognition of penalty points and related issues. There is a catalogue of stories about legal penalties being unenforceable because of the failure of mutual recognition. I hoped that an indication of progress on the matter would be on the business at some point during these two days.

The Co-Chairman (Rt Hon Paul Murphy MP): I hope that we will have an opportunity to deal with that issue tomorrow morning, when we discuss the committee sessions. Thank you for raising it.

Programme of Business agreed.

THE ECONOMIC SITUATION

The Co-Chairman (Rt Hon Paul Murphy MP): Pat is going to introduce our speakers for the first session, which is on the economic situation. They are Sir George Quigley, Peter Bunting and Adam Ewart. We are very grateful to all three of them for coming along.

The Co-Chairman (Mr Pat Carey TD): Thank you, Paul. I, too, welcome you all to Belfast on this important occasion. It is no secret that there have been a number of unsuccessful attempts to hold a meeting here. There are Members here who fought long and hard to ensure that it would take place. I am very pleased to be here.

Quite a lot has happened in the short time since our last plenary conference. Obviously, the one that springs to mind first is the St. Andrews Agreement, but we should not forget that it has been a busy summer and, thankfully, a peaceful one—the quietest and most peaceful in 30 years. All the parties here, and their communities, must take credit for what has happened. We must not underestimate the importance of the work that has been carried out quietly, behind the scenes, by the Preparation for Government Committee in the Assembly. There is also the report of the Subgroup on the Economic Challenges facing Northern Ireland, which was published recently. It is framing the agenda for us here and, I suppose, for the whole island. Although we do not want to take any great credit for setting the agenda, you will recall that we first discussed the economic agenda at our Edinburgh plenary 18 months ago, when the stark facts were clearly laid out for us.

I came here, not only to attend this conference, but to visit the Northern Ireland horse show, which took

place in the Odyssey Arena, just by this building. On my way to the Odyssey, the driver of the car told me that there was not a single empty hotel bed in Belfast this weekend because of the Heineken cup rugby, the hockey inter-provincials and the horse show. That is as it should be, and there are great opportunities for this city and the rest of Northern Ireland to benefit from the peace dividend. Each of our three speakers this morning has their own particular perspective and is known in their own right for setting out their agendas. We have asked them to sketch out what they see as the significant issues — they are challenges but also opportunities — facing the parties in Northern Ireland. I, like Paul Murphy, believe that by early next year much progress will have been made, and I, too, hope that a lot of progress will have been made by 24 November. We will focus in the first part of this session on the economic debate.

Our first speaker is somebody who is no stranger to setting the agenda not only for this Body but elsewhere, and he has a distinguished record on economic forecasting. George Quigley served on the Dearing committee on higher education and the Qualifications and Curriculum Authority. Originally a civil servant, he served successively in the Departments of Manpower Services, Commerce, Finance and Finance and Personnel. In 1989, he became chairman of the Ulster Bank. I remember listening to him speak in Dublin a number of years ago. He also served on the main board of NatWest and as chairman of the Royal Bank of Scotland pension fund. He was president of the Economic and Social Research Institute and of the International Trade Institute of the Republic of Ireland, and chairman of the Northern Ireland Economic Council. He conducted a review for the Government on the Northern Ireland Parades Commission. He is chairman of Bombardier Aerospace and he is a director of Independent News and Media UK. Please welcome Sir George Quigley. *[Applause.]*

Sir George Quigley: Thank you for that warm introduction. I am greatly honoured to have been invited to contribute to your discussion on the economy. It is particularly agreeable to be doing so in the aftermath of the St Andrews Agreement. Whatever the difficulties ahead, it behoves all of us in civil society to encourage the parties in every way we can to secure by next March the enormous prize which successful completion of the journey begun a couple of weeks ago can deliver.

The political stability, which has proved so elusive, is itself a prize. At least equally important, however, is the opportunity that stability offers to get on to a new economic trajectory.

I want to focus on why finding that new trajectory is not optional but obligatory, and on what is believed to be necessary by many who have been participating actively in the most serious economic debate I have seen here in my lifetime. Our local political parties have been to the fore in that debate and the work of the economic subgroup set up by the Assembly three months ago has served to bring all the key issues into sharp focus. The subgroup is to be congratulated on what it has achieved in a remarkably short time. One of the strongest grounds for my belief that all the parties are serious about getting out of the current political rut is that nobody in their right mind would devote so much dedicated effort to charting an economic future if they believed that it was a waste of time and that they would not be in a position where they could shape that future.

Superficially, our economy is in excellent shape, with unemployment very low and employment at historically high levels. We are experiencing a consumer boom. There is, as you have heard already, a different feel to the place. Yet our wealth gap with the UK overall persists. The gap has narrowed painfully slowly by a little over 5 percentage points, to 20%, in the last 15 years. It has been estimated that, if the relative performance of the UK and Northern Ireland economies reflected their relative performance in the first half of that 15-year span, it would take over 50 years for us to achieve convergence. But if you take the performance over the second half, which was worse, it would take around 1,350 years. Not many of us will be around then.

In any situation, getting the causation right is always important. The main clue to the persistent wealth gap lies in the productivity gap between Northern Ireland and the UK. Between 1998 and 2004 it widened by 7%, whereas in Wales and the north-east it widened by only 2% and 1% respectively, and from a higher base. By 2004, Northern Ireland lagged Wales by nearly 9 percentage points and the north-east by nearly 12. Scotland moved marginally closer to the UK average, achieving almost 99%. Our productivity performance in services is particularly poor. From being at 88% of the UK average — no great achievement — we dropped to 78%, leaving us 8 percentage points behind the north-east, 10 percentage points behind Wales and 15 percentage points behind Scotland. We have excelled at the rate at which jobs have been created — twice the overall UK rate, but most of the new jobs have been in the service sector, which is up by 17%, compared with a drop of 13% in jobs in manufacturing, which create much more value added.

So, to put it brutally, the Northern Ireland economy has been restructuring itself through an employment boom in low productivity jobs, moving therefore in precisely the opposite direction to the creation of the high value-added economy, which is the declared aim of Government policy. Not surprisingly, median private sector pay levels here are around 20% below the UK average.

The large public sector and the earning power that it generates are a key factor in the consumer boom to which I referred earlier. In 2003, 35% of employment in Northern Ireland was in the public sector. The comparable figure for the Republic was 21%. Of course some other regions in Great Britain also have large public sectors. But the exceptional nature of our public-private sector imbalance can be expressed in two simple statistics. To achieve the same balance as in Scotland, Wales and the northeast, Northern Ireland would have to increase its private sector by almost 45%. To replicate the overall UK balance our private sector would have to grow by 188%: i.e. virtually triple in size.

Not surprisingly, the gap between public expenditure and the tax yield is wide — some £6 billion annually — and rising. The Secretary of State has said quite bluntly that our economic situation is unsustainable. So far as I am aware, that verdict has not been passed on any other part of the UK. An incoming Executive, therefore, face a daunting task. Getting the institutions set up so as to work in political terms is one thing. Sooner or later, however, people here will cease to marvel at that and instead focus on performance, central to which will be the ability to put the situation that I have just described into reverse.

I have not the slightest doubt that the benchmark against which the Executive will increasingly be measured is the South of the island, which has achieved in a generation an economic and social transformation by getting on to precisely the right trajectory and maintaining the consistency of policy that staying on it requires. All of that developed from the insight that the Republic had to open up to the world and do whatever was needed to integrate itself deeply into its trade and investment flows. It is now among the world's top three most globalised economies — what an achievement.

10.00 am

The Republic's trade in manufactured goods to destinations outside these islands is, converted into sterling terms, some £50 billion. The comparable Northern Ireland figure is £3.3 billion, 20% of which is accounted for by two companies, one of which I chair. In the South, exports of tradable services are soaring and now account for over one third of all exports, whereas our exports of tradable services are minuscule. In the Republic, foreign-owned companies produce some 90% of merchandise exports and 70% of exports in tradable services. Over 42% of employment in the Republic is in manufacturing, transport and storage, financial and other business services — very important — and hotels and restaurants. The comparable Northern Ireland figure is 31%.

The size of the Republic's stock of foreign direct investment (FDI) ranks it 12th in the world, for a population of 4 million, and is equivalent to 105% of the Republic's GDP. That stock level translates into US\$52,000 per head. The authoritative Economist Intelligence Unit and Columbia University study of future global FDI flows recently published expects that to rise to \$72,500 by 2010. That is because it expects average annual FDI flows into the Republic for the rest of the decade to be \$4,750 per head, representing nearly 8% of GDP. That would give it 1.6% of global FDI flows, the 15th largest share in the world. That, too, is a remarkable achievement. I have not read or heard anything to contradict the view that FDI flows played a very significant role in the Republic's economic boom. Indeed the Organisation for Economic Co-operation and Development has described them as the major formative shock in the country's development.

In the two parts of the island we therefore have societies that are very different in terms of economic configuration: one highly globalised, the other not. At the trite level, one can say that the challenges facing them are similar: namely, how to address the threats and exploit the opportunities offered by globalisation. However, there is all the difference in the world between taking on that challenge from the position of strength which the South has already established in that global environment and taking it on from a base which, leaving aside the small cluster of companies making their way very successfully in that world, is still minimally engaged in the global economy.

For the Republic, it means consolidating its performance and continuing to build up the competitive strengths, particularly in the areas of skills formation and innovation, including R & D, which provide the edge in securing a strong position in the knowledge economy of the future. For Northern Ireland, on the other hand, it means developing the capability to follow Ireland's example and become far more fully integrated into the global economy.

The economic model developed in the South is probably the pre-eminent case study in the theory espoused by all the regional growth economists. It is universally accepted that to forecast growth in a region you look at the prospects for its export base. And if a region wants to deviate from the national growth rate — in our case, for example, to achieve catch-up — it has to increase the size of its export base. That is just reality. Cambridge economist Robert Rowthorn bluntly asserts that a region with an above average output of tradables per capita also has seen an above average income per capita. The relative dynamism of its export base is, therefore, critical for Northern Ireland.

Enhancing that base can be done in two ways. One is by growing organically the existing base, and clearly we must do that. It means majoring on innovation; stimulating and nurturing entrepreneurial talent, of which we have some fine exemplars, but not nearly enough; and developing and deploying to best effect the very attractive human capital at our disposal. In other words, all our companies need to do the things that any company anywhere in the world has to do to succeed. It is not rocket science. At the top of the list I put innovation, in all its facets. That is the only non-replicable, sustainable competitive advantage.

However, cultivating your own seedlings and growing your own timber is a long, slow, incremental process and, however well we do it, we are starting from far too small a base to be able to rebalance our economy and close the gap on a timescale relevant to the present generation — any more than the private sector base in the South could have done. So, as well as that, we, like the South, have to buy in the capabilities — the innovation, the skills, the marketing outreach — of high value-added, technologically driven, profitable companies worldwide. To think that one can become host location to those companies by being competitive on everything except tax is an illusion. It is generally acknowledged that the low rate of corporation tax has been an indispensable part of the mix of policies that have made the South such a successful player.

A former chief executive of the Industrial Development Authority put the point unequivocally:

"The [tax] incentives remain to this day the unique and essential foundation stones of Ireland's foreign investment boom."

The present chief executive of the IDA said:

"Ireland has long had, and intends to sustain, low rates to attract investment".

Ditto a top economist in Dublin:

"Among the factors that have encouraged firms to choose Ireland as their European location, the low rate of corporation tax is paramount".

Ditto a senior tax partner in a leading accountancy firm in Dublin:

"The last big differentiator is low tax. We would be extremely foolish to throw away that advantage".

Turning to the North, many of us are in no doubt that we will continue to be severely disadvantaged unless we can replicate that advantage. It is not simply a matter of the amount, but of the kind of investment one attracts. A very experienced business man in the South wrote to me recently supporting such a move. He said:

"The low rate of tax is automatically far more attractive to the high profit margin companies. These are typically ones that are at the most profitable phase of the product life cycle...eg pharmaceutical and high tech ICT firms...A high corporate tax with a generous offset or capital grants approach may be appealing for low margin industries such as those in many traditional sectors but these are not the kinds of firms that we should be trying to attract".

It is significant that Northern Ireland and the Republic compete with each other on relatively few FDI projects. We are simply not at the races when it comes to the companies that we need to attract. The type of incentive regime you have serves in effect as a self-selecting mechanism for those seeking a host location.

Freeing up investment flows into, and within, the island of Ireland has huge implications for the development of the genuinely island economy for which I have long argued. By that I do not mean

some ersatz political construct. I mean an island characterised by strong island-wide economic clusters whose development is driven by commercial logic and is not impaired by the existence of a political border. Let us set an ambitious aim for policy — a world-class island economy that manifests itself in equal levels of economic dynamism and performance in both parts of the island.

Otherwise it will be a very lopsided economy, where one half is largely public sector, and the other largely private sector, driven. Interaction in such circumstances will inevitably be limited by the extent to which one part is permanently fixed in the position of minor economic partner, with an inherently weaker economic structure. The development of a vibrant all-island economy is very poorly served by arrangements that perpetuate the gross North/South imbalance, even after allowance is made for differences in size. No one, whatever their political views, has anything to fear from the translation of the whole island into what would in essence be a dynamic economic zone. There are plenty of examples worldwide of communities of economic interest that transcend political boundaries, to which they present no threat.

As the nature of the North's economy converges closer to that of the rest of the island, the cluster/agglomeration/spillover effects can be expected to expand to cover the whole island. The ineluctable cumulative processes begin to work in favour of the island economy and, crucially, to the benefit of both parts. This is no zero-sum game. An economic cluster firmly growing from the soil of the whole island and drawing strength from the human and intellectual capital and the capabilities available in both parts will, I am quite certain, capture investment which would otherwise be lost to the island. An inevitable outcome of island-wide economic clustering will be the opening up of the whole island to greater internal competition, which is wholly consistent with developing the island as a globally competitive production platform for goods and services.

I am delighted to say that the analysis of our economic condition I have given is fully consistent with that contained in the two reports published by the Assembly's Economic Subgroup, to which I referred earlier. Moreover, on the basis of the evidence submitted to it to date, the subgroup has accorded primacy to a reduction in corporation tax as the basis of a policy of economic renewal and a necessary component of economic success.

The subgroup has rightly pointed out that supporting policies also have an important part to play. Among such policies I myself would give priority to the human capital agenda. Indeed in my evidence to the subgroup I suggested that the major element of whatever economic package it might produce should be constructed around the theme of "Tax and Talent", which should constitute the Northern Ireland "brand" and become our key marketing message. I am happy to develop the issue of talent and other supporting policies in subsequent discussion if you so wish.

To conclude, Northern Ireland has enormous potential. As chairman of Bombardier Aerospace in Northern Ireland which, with a work force of 5,500, is the largest manufacturing plant on the island and forms, with its suppliers, an unbelievable 7% of Northern Ireland's manufacturing base, I can say without hesitation that this is a superb place in which to do business. We play a key role in the design and production of virtually the whole range of the Canadian Bombardier Group's regional and business aircraft, and Bombardier is, of course, world market leader in this sector of the market. We are also at the leading edge in composites technology.

10.15 am

Northern Ireland has several world-class Centres of Research Excellence. Although, as elsewhere in these islands, there are systemic weaknesses representing lost opportunity, which must be addressed, our education system at all levels has formidable strengths. Stepping outside this building and looking around you, you can, as Mr Murphy said earlier, see the miracle of regeneration wrought by Laganside Corporation in partnership with the private sector. Up and down the formerly neglected and largely rundown waterfront we now have shared public-private space of the highest quality.

I will resist the temptation to develop further the inventory of our assets. My point is that to capitalise on these strengths, to release the potential and to bring in the investment, which enlarges opportunity for all and reduces our economic vulnerability, we need to absorb the uncomfortable messages that hardheaded analysis delivers and act on them.

We must do so because we are vulnerable. The Chancellor has said that public sector growth will slow dramatically from around 5% to around 2%. In the absence of a much strengthened private sector here, the wealth gap with the rest of the UK could actually begin to widen.

I believe that many in Northern Ireland, like me, want it to stand more on its own feet and not have to be propped up by massive Treasury subvention. The only sensible way to get that subvention down — its reduction would scarcely be unwelcome to the Treasury either — is to get the tax yield up. The Republic, and each of the 11 OECD countries out of 14 that has done so in recent years, has found that lowering company tax rates does exactly that. It gets the tax yield up.

The local political parties are absolutely right to link the need for a new political start with the need for a new economic beginning. I have been talking about the economy, but the benefits of fundamental restructuring extend to the whole community. Only by closing the productivity gap that I have described, can income levels and standards of living for all be sustainably raised. Again, that is simply reality. In no other part of the UK are the risks of political failure and community breakdown so serious and the possible consequences so dire. We all know that. The benefits to the UK national interest — indeed, one could safely say the benefits to the interests of both the UK and Ireland — of a stable, prosperous Northern Ireland are self-evident. The Government's innovative political engineering must, I submit, be matched on the economic front.

The best prize of all for getting the growth engine going far transcends all I have spoken about. The real prize — witness again the South — is a far more open, self-confident, cosmopolitan and vibrant North, with different perspectives and different goals, able to offer new opportunities and new horizons to a new generation. What a tremendous prize. *[Applause.]*

The Co-Chairman (Mr Pat Carey TD): Thank you very much, Sir George, for that wide-ranging and comprehensive analysis of the situation. Our next speaker is Peter Bunting, assistant general secretary of the Irish Congress of Trade Unions. Although foreign direct investment, low corporation tax rates and good education have played a significant role in the growth of the Republic of Ireland's economy, the model of social partnership has also been significant, and ICTU has been a key partner in that model. In his current job, Peter Bunting, is responsible for co-ordinating and developing the trade union movement in Northern Ireland, where ICTU represents 36 trade unions with more than 200,000 members.

Peter has a long-standing and wide-ranging involvement in Northern Ireland. He is involved in the board of the Northern Ireland Transport Holding Company, the management committee of Counteract, the management committee of the Northern Ireland Anti-Poverty Network, Belfast city council's good relations committee, the Economic Development Forum and the Concordia Social Partnership Alliance. He is known to those of us from the Republic from his previous incarnation as general secretary of the National Bus and Rail Union.

Peter may refer to a document published by ICTU, called 'Not Old Wine in New Bottles'. Peter, you are very welcome. *[Applause.]*

Mr Peter Bunting: I thank the chairman for this invitation for Congress to give its views on the economy in Northern Ireland. It will not surprise you that although I agree with Sir George on many issues, there are some on which I disagree with him.

It is imperative that I point out to you the current situation in Northern Ireland particularly as regards those who are disadvantaged. I do not share the confidence that others have in the situation here and about how well the people and the economy are doing. Of the 1.3 million people in Northern Ireland who are of working age, the self-employed account for 107,000 and part-time workers 155,000, so fulltime employees number about 464,000. The biggest difficulty is that we have 539,000 economically inactive people. By the way, that number includes students, although some students are deemed to be part-time employees. That is indicative of the situation in Northern Ireland, and it highlights the fact that we have a dysfunctional economy.

Allied to that are the following statistics: 25% of all households are living in poverty; 8% of all children live below the poverty threshold, which is to say that they do not get three square meals a day; fuel poverty is experienced by 28% of Northern Ireland households; and 47% of those leaving education leave without any qualifications. Those are huge problems that we all have to address.

I accept that unemployment figures have, by Northern Ireland standards, been low for many years. But when you examine the statistics, you find that of those who are economically inactive, 41,000 are willing to take up work. If you add that to the 36,000 who are unemployed, you have an unemployment rate of 9%, which is higher than the EU average of 8.3%. As Sir George stated, wages are 20% lower than the

UK average. We have a low skill, low wage economy, which is suffering greatly because of globalisation. We have a huge haemorrhaging of our jobs, particularly of low-skilled jobs in the textile industry, which was once one of the bulwarks of employment and economic activity in Northern Ireland. Where we have seen an increase in activity, certainly, is the service and construction sectors. The difficulty with the latter is what is termed the bogus self-employed. That means that the labourer to the plasterer is self-employed. The biggest contractors in Northern Ireland — I am talking about indigenous companies, although I will not name them — do not employ more than 10 people; everybody is selfemployed. I know that in April we are introducing in Northern Ireland the same revenue conditions and regulations that apply in Great Britain, and that will certainly help to eliminate some of the bogus selfemployed. However, it will also lead to large numbers of people working in the shadow, or black, economy, with the disadvantage that that brings, the exploitation and the huge problems with health and safety and so on.

I know from a freedom of information request earlier this year that we have four compliance officers who visit and regulate various companies regarding the minimum wage. In 2005, they visited 305 locations in Northern Ireland — by the way, 10% of those visits were made only as a result of a complaint — and discovered that 65% were not paying the minimum wage. If that is replicated in the rest of society, it gives an indication of the levels of exploitation and a picture of a low wage, low skill economy. Turning to the private sector, Northern Ireland has 65 companies that employ more than 500 people, and 89% of economic activity is carried on by small and medium-sized enterprises (SMEs), which in the main employ fewer than 10 people. There is a huge argument about the fact that the public sector in Northern Ireland is too big. Of course, the real situation is that the private sector is too small. We need entrepreneurship, innovation and education. Ten firms account for 50% of Northern Ireland's exports, and Northern Ireland has the second lowest level of business formation and business growth in the United Kingdom. Those figures are from Invest Northern Ireland. What is absent, and what is fundamental to any good economy, is a wealth/job-creating sector.

Allied to that is the fact that we will suffer huge job losses in the coming 12 months. We have 1,200 jobs going in the Ministry of Defence through the normalisation process, and 1,200 under the UK-wide Gershon proposal to reduce the number of civil servants. The Visteon factory in Dunmurry may close within the next six months, with 200 jobs going. Prudential Insurance is to shed 100 jobs and Norwich Union is to shed 100 a month. Those are the ones we know of. There are whispers and straws in the wind indicating other job losses, too.

Let us also consider the Review of Public Administration, which many people would say is very necessary in Northern Ireland. Nobody knows what impact that will have on the 80,000 jobs in the public sector, but one suspects that there will be a reduction of between 5,000 and 8,000 jobs. This economy cannot sustain that. I can understand people saying that we want to be more efficient and reduce the size of the public sector, and I could even accept that if it were achieved in parallel with increased job creation in the private sector.

We must also consider the loss of disposable household incomes because of the imposition of water charges of about £400 per household, which are scheduled to be introduced in April 2007, and a 19% rise in domestic rates. If you combine that disposable income and take it out of a small economy, there will be a domino effect in that jobs will be lost in the service sector.

I just want to set the scene of how bad the economy is in Northern Ireland. Looking at spending on research and development, we see that Northern Ireland spends about 0.8% of GDP, the United Kingdom overall 1.9%, Sweden 3.7% and Finland 3.5%, so we have a lot of ground to make up. Interestingly, I noticed recently that of the 460 jobs created in Clonmell in the Republic of Ireland recently by an American foreign direct investment company, 80 were designated for PhD graduates. That is an operation that we would love to have in Northern Ireland.

You know the old adage that "It's the economy, stupid". We can now also say of Northern Ireland that "It's education, education, education, stupid," because when one looks at the success of the Celtic tiger, one notices that there is a modern, educated labour market there, waiting to service whatever foreign direct investment comes in. Indeed, some of the regional institutes of technology changed their curriculums to adapt to the demands of FDI companies.

10.30 am

We have a huge problem here in Northern Ireland, with 25% functional illiteracy and with 36% of those who are unemployed having no qualifications. I have already referred to the number of people who

leave school without any qualifications. Another difficulty is that we have our university numbers capped. We have a brain drain of people going to universities in Scotland and the rest of Great Britain, and those graduates in the main do not return. We also have a huge skills deficit among what used to be the skilled sector in Northern Ireland, the Protestant working class. Those communities were traditionally the craftspeople of Northern Ireland, and we need to work out how best to upskill them. I will come back to that point if I have time.

I come to the real argument about how we kick-start and drive forward the economy in Northern Ireland. How do we enable our economy? Many people are advocating the introduction of a lower rate of corporation tax here as the primary mode of doing that. For a very pragmatic reason, I cannot see Gordon Brown saying, "We'll give Northern Ireland this fiscal situation, but sorry, north-east and northwest England, you can't have it." I am sure that many of you sitting here would be among the first to say, "Well, if it's good enough for Northern Ireland, it should be good enough for our region across the water."

From an economic point of view, too, corporation tax is not all that it is cracked up to be. There are far more significant factors than corporation tax contributing to the success of the Celtic tiger. The experience of the Republic has not been consistent when it comes to tax incentives. Between 1956 and 1980 the Republic had a zero rate of corporation tax on manufactured exports, but according to the European Commissioner for the Internal Market and former Irish Finance Minister, Charlie McCreevy — I seldom quote Charlie McCreevy in support of an argument that I am making — it did not generate any conspicuous economic success. On another occasion, Charlie McCreevy is reported to have said that you will not have economic success solely by taxation.

A prime consideration that is also passed over is the fact that the current rate of corporation tax in the Republic was introduced only three years ago, after its economy had begun to take off. Employment in the Republic started growing to an unprecedented extent in 1989, when the rate of corporation tax was 47%. High GNP growth rates for the Republic began in 1994, when the rate of corporation tax was 40%. Immediately prior to the 2003 change, there was a special low rate of 10% for exports and a higher general rate of 28%. Clearly, the gestation period of the so-called Celtic tiger dates back further than the current corporation tax regime in the Republic.

There is no guarantee that the lower rate of corporation tax will lead to more or better jobs. There was a period of virtually jobless growth in the Irish Republic. In the period when employment grew substantially, tax reductions contributed to significant increases in real take-home pay. The reduction in the tax wedge, which we all know is the difference between what it costs an employer to employ someone and what the person takes home, contributed to employment growth in the Republic, especially for the lower paid. According to the National Competitiveness Council for the Republic of Ireland the low labour tax wedge now represents a competitive advantage for Ireland. International comparisons also cast doubt on the effectiveness of a reduced rate of corporation tax. The OECD has said that it is clear from the literature review that the effects of taxes on economic performance are ambiguous in some areas and unsettled and controversial in others. Lowering the rate of corporation tax for all companies is not likely to stimulate all of them to contribute to enhancing economic growth. This concession will be given to a number of companies, which will provide no public benefit in response to a significant change in public policy and possibly only inflate their profits. The concerns about a blanket concession arise from our experience in Northern Ireland with regional and local rates. For many decades, manufacturing industry, along with a few other sectors, has had 100% exemption from paying rates, while services, including tradable services, and other commercial businesses have been obliged to pay them in full. However, this concession, which is unique on the European scene, has not led to a significantly higher contribution to economic development by companies exempt from rates. That raises the question whether a more targeted approach would be better. We believe that grants can be tailored more readily to specific targets so that the impact of public funds is maximised, which is better than a blunderbuss approach that scatters funds far and wide with little specific return.

The trade union movement is saying that there should be tax grants for those who are involved in increased exports, increased productivity and increased job creation. That can be equal to the gap between the corporation tax in the Republic and the corporation tax in Northern Ireland. Rather than saying broadly that there is now a corporation tax rate applicable across Northern Ireland, we say that it has to be performance related. Whatever public money is given to companies should be performance related, and the criteria for determining that should be ones that will grow the economy, not individual companies' bank balances. They should include increasing productivity, investing in research and development, creating more jobs and increasing exports.

Following the St Andrews Agreement, we hope to get, post-devolution, a system funded jointly by the public and private sectors to increase spending on R&D in Northern Ireland to 3% of GDP, to increase the number of science and technology graduates and to change some of our curriculums to focus on those people who will be attractive to foreign direct investors coming to Northern Ireland.

Another issue, which is part of the Lisbon agreement and crucial for upskilling our people, is grant aid to develop workplace and lifelong learning. I know that the Labour Government in Great Britain are greatly driven to achieve that. The difficulty in Northern Ireland is rolling that out into SMEs, which account for 89% of economic activity. We can introduce workplace learning in larger companies where we are organised, but it is difficult to do so in small companies. That is something that we need to target. We must raise our game. Professor Best introduced in Northern Ireland the productivity triad of business organisation, production capacities and skill formation. We need to deal with those issues if we are to drive our economy forward.

I totally agree with Sir George that we need dynamic clustering, so that we have a network of suppliers, sub-suppliers and sales outlets, which deal with public agencies as one. We would also advocate the extension of an all-Ireland economic version of those clusters. How can those companies operate? Small business networks, run by trade associations, can be established. By paying a fee and joining up, companies can share market intelligence and transfer and diffuse technological advances. Within that, the Government can also give extra grants. However, companies must sign up. We are saying that there should be no more freeloading by companies, whether in Northern Ireland or elsewhere. Grant aid should be specifically directed to companies that sign up, not blanketed across them all, and their performance should improve so that they can grow our economy.

Unfortunately, £16 billion of investment in Northern Ireland is currently vested in the quango of all quangos, the Strategic Investment Board. The Assembly, when discussing its setting up, envisaged that it would be a social partner and have representation on the board. However, it now has five people who are supposed to drive our economy. The problem with the board, which of course comes back to the absence of devolution, is the fact that many of its projects are PPP or PFI-based. There are now so many in operation, and so many in prospect for our health service, that it will cost the taxpayers of Northern Ireland £200 million per year to pay off the mortgage for those projects before any service is delivered. Taking £200 million out of our current grant will not help our economy; it will damage it. We need to deal with that.

Returning to the £16 billion, recital 33 of the new EU directive on public procurement specifies conditions for the performance of a contract. Article 26 says that public authorities may lay down special conditions on performance of a contract, which may concern social considerations. Recital 33 also includes a non-exhaustive list of social considerations, which may be intended to promote on-site vocational training and the employment of people experiencing particular difficulty in achieving integration in the labour market. It is also possible to include requirements, which would be applicable during the performance of the contract, to recruit long-term jobseekers, to implement training measures for the unemployed or young persons, to comply with the provisions of the International Labour Organisation and to recruit more disabled persons than are required under national legislation in the country where quota systems exist.

We face a huge opportunity, with £16 billion of public funding to tackle social disadvantage and upskill those in disadvantaged areas of Northern Ireland. We will be saying to the Strategic Investment Board and to all those involved in public procurement that when a contract involves a building project that is part of the infrastructure growth in Northern Ireland, if there are 200 workers then 50 apprentices should be trained, as part of the contract. Those apprentices should come from both the Protestant and the Catholic disadvantaged areas. Just outside you can see the cranes on many building projects, but you will not find an apprentice there. There is an opportunity to use that £16 billion to help to train people and work towards achieving a sustainable, educated and skilled work force in the coming years. If that money is used wisely, for the right people, we will not have to wait 45 years for that.

I want to address two other aspects. Sir George has dealt very well with the subject of cross-border economic co-operation, which obviously we strongly support. Another point concerns Transport 21, which deals with investment in the transport infrastructure of the Republic of Ireland, coming right up the western seaboard, stopping somewhere around Sligo. We need to meet that with some degree of cross-border economic co-operation, so that the infrastructure west of the Bann is co-ordinated to keep pace with it. We cannot have a jurisdiction with which we share a land border getting light years ahead of us in infrastructural terms. If we lag behind, any investment coming into the island will not come to Northern Ireland.

10.45 am

We would also advocate another form of cross-border relationship. I have to choose my words carefully. One thing that you learn when you come back to Northern Ireland after a long absence is new versions of the English language: the Ulster Unionist English language, the Ulster nationalist English language and, worst of all, the Ulster voluntary community English language. I think it important that Derry, Londonderry, is made the gateway to the north-west. The development of Lisahally port has huge potential for Northern Ireland and, equally, for Donegal. There is a huge opportunity to ensure some economic growth in the rural west of Northern Ireland, where there are still huge problems. Lastly, I want to quote to the conference the words of our local poet, John Hewitt, in his poem 'New Jerusalem 2':

*"Though men may clamour 'Why delay?
We want this visioned state today',
take care you do not offer them
some jerry-built Jerusalem."*

It is time, Chairman, that in the words of the Irish Congress of Trade Unions, we had democratically elected devolution so that decisions are taken locally. We need an economy, which brings success for all the citizens of Northern Ireland, not just the few, by which I mean the wealthy. Thank you.
[Applause.]

The Co-Chairman (Mr Pat Carey TD): Thank you very much, Peter. The third member of the panel is not going to make a speech, but you will recall that a number of Members of the Body have said that we should try to get representatives of the younger generation of Northern Ireland business people and/or politicians — what I think we call movers and shakers. I am not sure what Alda did — perhaps she "Googled" — but she came up with the name of Adam Ewart.

Adam runs his own online music business, called karacha.com. He can guarantee you delivery of your music requirements in 24 to 48 hours. Like most students, he did his studies, but he also dabbled in business. He started his own business at the tender age of 19. He graduated a few months ago, but he has not rested on his laurels; he has now set up another company. If you do not like the penal charges that baggage handlers and airlines charge you, you can use Adam's new service, which can deliver your baggage for a modest, competitive charge.

Among his other achievements, Adam has received the award for the most inspirational entrepreneur in his county, and he is about to represent Northern Ireland in the final of the Shell Livewire entrepreneur of the year awards. He will join the panel for questions now. Adam, we are delighted to have you and we look forward to your responses. [Applause.]

I now invite Members to question the panel or make short comments. This session is due to finish at 11.00 am, but we will go on until about 11.15 am. My Co-Chairman and I suggest that the two halves of the morning session occur very close together.

Baroness Harris: Thank you, Co-Chairman. I would like to ask Adam what he made of the last two presentations.

Mr Adam Ewart: I speak at a lot of different events for young people, so when Alda first asked me to speak at the conference, I said yes. I then looked at the minutes of a conference last year and read what the man from PricewaterhouseCoopers said. I realised that the level is somewhat above where I am coming from, so I said that I would not be able to give a talk.

I completely understand what the other speakers were talking about, but I have a degree in ancient history, not economics, so talk about percentage points and so on means very little to me. My business deals in thousands, not millions, of pounds, so much of what was said did not make a lot of sense. However, I understand the point about pushing Northern Ireland on a bit and the need for more young entrepreneurs. Next week I will be working with Invest Northern Ireland to launch entrepreneurship in education. None of my friends has their own business. The other graduates from Queen's that I know are all vying for the same jobs in banks in Belfast.

Mr Seamus Kirk TD: I join the Co-Chairman in welcoming the speakers. I shall keep my observations to a minimum. Sir George mentioned talent development, by which I think he meant, in effect, the

reconfiguration of the education system north of the border. If I am correct in my interpretation, will he elaborate that point for us?

Sir George Quigley: Yes, I think that a number of things need to be done with our education system. One of the tremendous advantages of having a strong demand factor in the economy is that it puts pressure on local services and facilities to deliver performance. That was one of the big factors in the South. Many demanding and sophisticated companies were coming in and wanting things done to meet their needs.

What we need to do is very straightforward. First, great attention has been paid to what happens to people at the secondary stage in Northern Ireland. We had a discussion about the 11-plus and what could replace it. I suggest that at least equal attention has to be focused on the primary sector. We have far too many people leaving too many schools in that sector having simply underachieved. If you get to the age of 11 with a reading or numeracy age of seven or eight, it does not much matter what happens to you in the secondary sector unless somebody picks you up at that stage and remedies the deficiencies. So a lot has to be done in the primary sector. That is not rocket science. It is simply schools making sure that the people going through their doors are coming out adequately equipped to go on to the next stage.

At the secondary level we have focused too much on those who are good academic performers. As you know, our higher-range GCSE and A-level results are quite a few percentage points beyond those in the rest of the UK. Therefore, we are doing very well on that, but we do not do nearly so well in equipping people across the range, particularly those who are more vocationally disposed. We must do that, and we must make sure that we invest in that part of the secondary sector.

When we come to the third level — we tend to talk about further and higher education, rather than the third level, as you do in the South — the difficulty is that, for years, we have provided the most wonderful conveyor belt out of Northern Ireland. In other words, we have grossly underprovided for higher education. When I was a member of the Dearing committee, the number of school leavers in England going on to higher education was about 33%, and the proportion in Northern Ireland was about 44%, just short of the Scottish figure at that stage of about 45%. Despite that, something like a third of our students have to leave Northern Ireland to get higher education, many of them going to Scotland. Looking at the situation in macro terms, in some years the equivalent of two universities in Scotland were catering for the Northern Ireland inflow. Some 80% of those people, probably about 75% now, do not come back to Northern Ireland.

There are very specific things that we can do. It is not a matter of climbing Everest, but we have to have a very clear education agenda informed by the simple principle that our education system should be informed by our economic aspirations and fulfil the human capital needs that they create.

The Co-Chairman (Mr Pat Carey TD): I just want to remind the Body that Committee D's report on life chances in education, which is to be discussed tomorrow morning, addresses some of the points that Peter and Sir George made about education deficits here.

Senator Martin Mansergh: I have two questions: one to Sir George Quigley and one to Peter Bunting. One could be quite sceptical as to the practicality of harmonising corporate taxation, but let us suppose that it could be done. Sir George, do you envisage our having one external industrial promotion body for the island, in the same way as we have Tourism Ireland, which has worked very well for both parts of the island in promoting inward tourism, or do you envisage two competing agencies?

Peter, what role does social partnership play in Northern Ireland now? Could it play a bigger role, and is there any possibility of converting our friends in the British Labour party to its merits?

Sir George Quigley: Would you like to go first, Peter?

Mr Peter Bunting: We do have a small measure of social partnership here, primarily in community relationships. We have held peace marches and called for the disbanding of paramilitary groups, and that activity has extended along the social partnership line, from businesses to trade unions.

There is a huge difference in social partnership, as we know it, in the Republic of Ireland. One thing that you have to confront when you come to Northern Ireland from the Republic is the adversarial culture, within which social partnership cannot exist. Some of that culture probably comes from high up in British-based trade unions in Northern Ireland. There is a huge difference in trade unionism in the

Republic. I should say — in case you think that it makes me less militant — that that does not necessarily inhibit militancy or affect goals, and social partnership would have a benign influence if it were replicated here to an extent.

Another huge difference is that Northern Ireland does not have any fiscal responsibilities, which are crucial to the success of social partnership in the Republic, with the trade-off between wages and tax reductions.

11.00 am

Sir George Quigley: It is not for Peter and me to debate these matters on the platform between ourselves, but my point is that the relationship between corporation tax and the attraction of investment is simply now accepted by a range of studies — there is a whole shelf of them.

Secondly, I fully accept that corporation tax on its own is not some wonder drug, but I did make the point that it is an essential part of a mix of policies. I think that Mr McCreevy would fully accept that. Thirdly, although not all companies locally will respond to a reduction in corporation tax, experience elsewhere shows that enough of them respond to recover the lost tax yield, and in doing so they are engaging in economic activity that is benefiting everybody who works in those companies, including some who would otherwise not have employment.

Coming to Senator Mansergh's point, which is very interesting, obviously there is a lot of political delicacy surrounding the issue. Do we abandon the industrial promotion and development function for Northern Ireland? In the absence of an alignment of corporation tax, it would be quite disastrous to merge the two bodies because you would be showcasing Northern Ireland's disadvantage. If, on the other hand, one had the tax regimes aligned, I could see a lot of advantage in doing many things together — I put it as broadly as that. For example, does it make sense in a small island such as this to have two industrial development bodies, scanning the world to see what is happening to FDI flows and how that should affect the island? Where are there gaps in our clusters that we want to fill? Where in the world should we look for the FDI that will help us to fill those gaps? There is a big strategic exercise that can be done together.

Secondly, why not market the island together? About 15 years ago, I went with Liam Connellan, then the director general of the Confederation of Irish Industry, the main employers' body in Dublin, on a trip to the United States, where we visited four cities and did a lot of speaking, simply to promote the island of Ireland, North and South. We were the first to do that. I do not see why a joint marketing exercise cannot be done.

Thirdly, the nitty-gritty details of accommodating companies in either the South or the North will have to be dealt with at a local level. In other words, there is a role for a local industrial development body—for the IDA and Invest Northern Ireland. On the good old principle of subsidiarity, if you do not do at the local level the things best done there, you simply create greater inefficiencies.

That would be my broad approach: it is pragmatic but offers tremendous opportunity to develop this island as a vibrant economic zone. That could be a showcase for what can be done by two economies, two societies and two political jurisdictions coming together with a focus on getting the best deal for their people.

The Co-Chairman (Mr Pat Carey TD): With your permission, I shall group the questions. Lord Smith will be followed by Senator Brendan Ryan and Eddie McGrady MP.

The Lord Smith: I, too, thank the two main speakers. When I heard them, however, I was overwhelmed with a sense of déjà-vu because I have heard such speeches over the last 15 years, many of them from Sir George, who is very consistent, although the buzzwords change from time to time, and very convincing. Why should we be optimistic that things will now change? We have the analyses — they have been there for 20-odd years. We have had IDB, LEDU and InvestNI and goodness knows what else. One thing that we have always had in Northern Ireland is more than our fair share of quangos. Yet nothing has happened; nothing has changed. The analysis is still there and the statistics still refuse to move.

What will give us the kick-start now? We have the analysis and we probably all sign up to it. Why will this year or the next five years be different from the past? We always get these speeches in the future tense. We never have the past historic. What went wrong in the past and why should we be optimistic

that things will turn out better in the future?

Senator Brendan Ryan: I have two questions for Adam, partly because I am always fascinated and impressed by genuine entrepreneurs, as distinct from property developers masquerading as entrepreneurs.

What in the education system that Adam went through was good and what was bad in encouraging him and others to get involved in enterprise rather than employment? The second question is related.

What in the present economic situation in Northern Ireland does he regard as the biggest nuisance to his continuing success as an entrepreneur? We have too many studies by external bodies, and I would like to hear what he thinks is the problem.

Mr Eddie McGrady MP: I thank the speakers for their erudite contributions this morning. I am a lay person in respect of the higher echelons of the economy, but as a local person and a local politician I ask the panel whether they have any sense of the attainability of their suggestions, particularly for a fiscal regime in Northern Ireland different from that in the United Kingdom generally. That would throw us back to the situation several years ago when the Treasury was losing £300 million per annum in fuel tax losses on the border, laundering and so on. The Exchequer remained adamant in its refusal to give a small measure of relief even to sustain its own income, never mind our local economy and livelihoods. The statistics given I have heard before, obviously, as have many others. They are exceptionally depressing, and give me the impression of an economy in terminal decline. What advice would the panel give to the politicians who, hopefully, will take control of the economic destiny of Northern Ireland in the immediate future? Sir George Quigley seems to indicate that it has to be part of an all-Ireland economy, but how can we achieve that without at least fiscal independence in Northern Ireland or confederation of fiscal policy throughout the island of Ireland?

The second, related question, which neither speaker addressed, concerns what I consider to be a fundamental contribution to the economy in Northern Ireland by two sectors. They are not dramatic or romantic; they are tourism and agriculture. Do the panel see any future in a substantive contribution to our economy from a developed tourism industry and a reinvigorated or redirected agricultural economy?

Mr Adam Ewart: On the first question about the education system, I went to primary school here, at the secondary level I went to Regent House in Newtownards and then I went to Queen's university. At Regent we had "young enterprise", which I am sure many of you have heard of, and I was the managing director. Apart from that, you had to get up and get on with things yourself.

I know a few other young entrepreneurs in Northern Ireland, but most of them are English. There is no real push for entrepreneurs, although I think that there is an attempt to change that. Certainly some of the technical colleges, as opposed to standard secondary schools, have enterprise officers. I have been to the one in Bangor and spoken to students a few times. Many of them seem quite interested in starting their own business.

At Regent, we were taught the standard subjects — maths, English and the sciences. There was nothing particularly new, apart from the one after-school activity that I mentioned. I think that that is why most of the young business people I know and deal with tend to be from England. I read in the 'Belfast Telegraph' last week about a guy who is the same age as me, 21. He came to Bangor and I had a chat with him. Even in the Northern Ireland final of the Shell Livewire competition I was the youngest of the finalists by about five or six years. Everybody else seemed to have left a job to start their own business, using skills that they had learned while employed.

I want to return to the point about people leaving Northern Ireland because of our higher education system. Two of my best friends from Regent had to go to Scotland to study because although they each had 3 As and a B at A level, Queen's would not take them for medicine. They will be successful doctors, but in Glasgow, not in Northern Ireland.

On the second question about the financial situation on the ground for those trying to run a small business, I went on InvestNI's programme last year, which gives you a small grant, £750. That helps a little; it does not do much. You set yourself up. I got a business loan at a high percentage rate. I think that a loan from Tesco would have been cheaper, but it was easier to get one from the Department of Enterprise, Trade and Investment. I finished university in July, and until then I was working completely from home, so I had three rooms of my house filled with musical instruments. I now work from a unit in Balloo industrial estate in Bangor. I am lucky to have found a place with a reasonable rent, but I have

been looking to move to a shop or just to bigger premises, because I want to employ a couple of people, and although with my turnover I can manage the rent, I cannot afford the rates.

The point about people leaving Northern Ireland is interesting because the main customer base for my new business, sendmybag.com, is people who are going to university. It helps them to move their stuff from Northern Ireland to university in England or Scotland. I had about 400 students use the service, and that was just in response to a short piece on Radio Ulster. That shows how many people are leaving.

Setting up a business in Bangor has been a bit of a struggle, but fine on the whole. However, as soon as I start making money, I am hit hard with taxes. When I have to register for VAT, I will be hit with that. There is not a lot to help somebody like me who is starting a business from nothing. I started my business in my bedroom with money that I saved up from a part-time job in a pet shop. I do not think that Northern Ireland is worse than anywhere else. People are quick to say, "It's terrible here," for this and that and to say that we have the lowest rate of entrepreneurship in the UK, but we have a lot less people than the rest of the UK. The situation is not too bad.

11.15 am

The Co-Chairman (Mr Pat Carey TD): I do not want to be discourteous to either the questioners or the panel, but we are running out of time fairly quickly.

Sir George Quigley: May I just respond very quickly then, cantering over Lord Smith and Mr McGrady's questions? First, with respect, I think that the analysis is quite different now. Back in the earlier period, people were obsessed with how to get unemployment down. Now they are saying that it is no longer the real issue. Of course, we need jobs, but the issue is the quality of jobs and the value that they add.

Why should anything change now? First, there is a recognition that it has to change. Secondly, our politicians are fully committed to change, and getting them in the driving seat will make the difference. On Mr McGrady's point about the fiscal regime, I think that there is a difference between fuel tax and corporation tax. In the case of fuel tax, I have seen calculations that suggest that the Treasury would still be losing money after the change was made, and it does not act as a driver for the economy in the same way that corporation tax reduction does. With corporation tax you have every chance of recovering the lost tax and ultimately generating much more economic activity. I think that they are different cases.

Will it happen? There is a clear choice. If the Government want the kind of economy here that will reduce the subvention and make us much more free-standing, there is no alternative. If we go on as we are, we are still in the public sector rut. If that is what people want, fine, but it will not get us anywhere, and I do not think that one will be able to continue to talk about the Northern Ireland economy being unsustainable. One has just got to say, "It's public sector driven. This is where the public expenditure has got to go, and we all have to pay up and look cheerful about it." That is the world we live in, and those choices are much more stark than ever before.

We have to triple our tourist industry. That must be a key point in the Executive's agenda, and it is recognised by the economic subgroup. The amount of employment in agriculture will decrease — that is inevitable. We can still have an efficient industry, but a much less significant one. The emphasis will be on much more broadly based rural development.

Mr Peter Bunting: I want to respond to Lord Smith's question about why things are different now. Although I painted quite a gloomy picture, this is probably the most exciting time ever in Northern Ireland. Fundamental to any successful economy is the harnessing of the human, social, economic and political capital, and for the first time that 25% which has been missing is now coming on board, mainly in the form of political capital. As Sir George has stated, this is the first time in Northern Ireland that there has been such interest in a debate about the economy.

Another major aspect is that there is now huge recognition of our educational deficiencies, apart from academic selection — I do not want to make a big issue of that because it only affects 25% of the population. There is a big shift in demand for education in working-class and disadvantaged areas. That will help in the future.

With regard to Eddie McGrady's view, we have targeted grant aid rather than corporation tax, for

pragmatic reasons and because we are conscious that, in the European dimension, people may object to tax changes. We are arguing about how best to direct the money.

The fiscal situation in Northern Ireland causes problems when Westminster or the Treasury issues edicts, such as the one on the aggregates tax. That was close to losing us about 3,000 jobs in the quarrying area along the border. All the companies had to do was cross the border from Fermanagh to Cavan and start up there, losing us jobs and losing the Exchequer money in the long term.

Tourism can play a huge role in playing our economy, but it cannot be seasonal because seasonal, lowpaid jobs do not help. It does offer huge opportunities: you see more tourists now as you walk around Belfast and busloads of Americans going to the Saint Patrick centre in Downpatrick. I agree with Sir George that agriculture will probably not play a significant role, but there is a role for innovation in sectors such as organic food, which may well encourage the growth of small businesses.

The Co-Chairman (Mr Pat Carey TD): I ask the eight remaining Members who wish to speak to put their questions together and then we will have one response.

Mr Chris Ruane MP: As an ex-primary school teacher of 15 years, I am very pleased to hear Sir George to shift the focus down from tertiary and secondary and into primary education. Language and thought patterns are set by the age of three; 50% of what you learn is learned before the age of five; and, to paraphrase, if you give me the boy until the age of seven, I will give you the man. Bearing all that in mind, does the panel think that sufficient recognition is given in Northern Ireland to the importance of pre-primary education? In Britain, we have the Sure Start programme and quality child care. Is the private sector playing its full role in helping to develop quality child care in workplaces to allow mothers and fathers to go back to work, knowing that their child will be sufficiently stimulated?

Baroness Blood: I am not going to ask a question — I would not dare ask questions of such an illustrious panel. I just have a few comments to make. Before I do, as the only person from Belfast on the Body, I would like to welcome everyone to my city. It is a pity that you do not have time to see it. Sir George, I often wonder whether Northern Ireland is fact or fiction. We hear a lot of facts, but how much of what we hear is fiction? This morning, we have heard two very good presentations from two ends of a spectrum.

I could not agree more with what Sir George said about primary education. Following on from Chris's question, I want to say that early years is vital, and we have to be able to sustain that work. We have Sure Start, but we need to widen that programme and work with children from a very early age. Peter talked about apprenticeships, and I would dearly love what he talked about to be the case. Sir George's company, Bombardier, works closely with people in the Shankill, using apprenticeships, and we are very grateful for that.

I have just a passing thought. I wonder whether the panel could help us with this. I chair a large training organisation, and when we put young people out for work experience we find it more and more difficult to get employers to take out insurance for those trainees. That is one of the biggest barriers to getting young people work experience.

Cecilia Keaveney TD: I agree with Chris about pre-school provision. Music and play are also important for children aged nought to six. Coming from a music background, I find it interesting that you are involved in music, Adam. Do you think that music has given you certain skills, and helped you to look at the world in a different way or to interpret new enterprises differently?

I want to declare that I have no interest in the schools of the north of England, as it says in my oral question to the Secretary of State in the draft programme of business. I shall read my actual question to you, Peter. It is:

"To ask the Secretary of State whether he plans to discuss the issue of top-up fees for students of Higher Education courses in the North of Ireland with his counterpart and/or the Minister for Education in the Republic given that such fees placed on students from particular areas such as Donegal place them at a disadvantage to those who can attend colleges and universities without having to pay fees and thus it runs contrary to the spirit of cooperation, reconciliation and maximizing regional potential that has been promoted since the advent of the Good Friday Agreement, particularly for the North West region which has placed education at the forefront of reversing the unemployment statistics, while it also threatens smaller colleges that have relied on students from Donegal to make up the numbers to keep them viable."

I am fighting on this issue from a Donegal perspective. If my people do not have the right to a free education close to them, they have to go and clog up the system further away. You made the same point, Adam, that people leave here to go to Scotland. Why do they go to Scotland? Are there top-up fees in Scotland? We have to pay for education, and in my constituency people are paying 3 grand when they qualify for a grant.

The Lord Brooke: I have a brief but very ignorant question. What is the combined and comparative production of post-graduate MBAs in the two jurisdictions?

Mr Jim Dobbin MP: What effect has the huge European investment in the Republic of Ireland had in widening the gap between the two countries? Has there been any effect from the introduction of the euro into the Republic?

Mr Damien English TD: Adam, it is good to see you here. We do not hear enough from the young people of Northern Ireland about their thoughts on the situation.

What do you and your friends see as your future in Northern Ireland? What do you want the political system to do for you? What role do you see the developing economy playing?

Many students go away to study and do not return. That is common for those from any area; if they move away, they generally do not return. Why are they studying elsewhere? Are there not enough places available in Northern Ireland? What is the most important thing in attracting them back here to take up a job in their own economy?

Mr Arthur Morgan TD: I thank the panel for their contributions. I hope that they will kick-start a muchneeded debate about an all-Ireland economy, which has been somewhat lacklustre.

Does the panel agree that there is an urgent necessity for the removal of the existing barriers to crossborder activity, whether in employment, business or public services?

Given your economic wisdom, have any of you begun to work out what the economic or peace dividend, as it is called, should amount to? Have any of you attempted to quantify it? I contend that although both Governments should contribute to that, the British Government should make a huge contribution. They made substantial investments in military operations here for decades, so there is a big responsibility on them to live up to their commitment.

11.30 am

The Co-Chairman (Mr Pat Carey TD): I invite the three panellists to make their final remarks.

Sir George Quigley: Shall I start, and let others pick up points, rather than replicate them? Pre-school provision is critical, and I doubt that the private sector is doing enough to fulfil that need. Being practical about it, I feel that more effort ought to be devoted to disadvantaged areas. Some areas can perfectly well look after their pre-school provision; others simply cannot. We must be quite discriminatory in a benign sense.

I was delighted that Baroness Blood referred to Bombardier's work in west Belfast, both Protestant and Catholic. We are trying to make our contribution to raising skill levels in those communities, and I think that it is working extremely well.

We have a gross deficiency of university places in Northern Ireland, which is the only part of the UK, which has to export people so that they can get higher education. They do not come back because they cannot get jobs here. About 25% of those who graduate here go elsewhere for employment. It is a good thing for people to go elsewhere to get experience, but you do not want to lose all those people from your local economy for good. We need to pay attention to that.

There is a great deal that could be done in the way of cross-border activity to exploit the situation. It has improved greatly in recent years; for example, 27% of Northern Ireland's exports are now to the Republic. That is as much as exports to the whole of the rest of Europe. Actually, I think that that is rather unbalanced, but it shows that every effort is being made to exploit opportunities south of the border. There are impediments to movement, such as pension arrangements, but it is a question of plugging away because there is no reason why the border should have any effect on economic activity

throughout the island. We have got to remove that factor.

On the peace dividend, although there is a need for cash to do certain things, we will have completely missed the bus if we do not answer the key question: how do you get the growth dynamo started? We have had public expenditure for years; it is higher here than in other places in the UK. We need that, and, as Peter knows, I am not arguing against a strong public sector, but we need the growth dynamo because that is what will carry us forward in the medium to long term — and that dynamo is tax.

Mr Peter Bunting: Turning first to Chris Ruane's views on primary education, I can say that the Congress in Northern Ireland is quite radical in saying that there should be one type of school for all children — there should not be faith schools. It is very simple. Within that single system resources could be applied more evenly, and there would be additional resources for particular schools. The system is too diverse at the moment.

Baroness Blood highlighted a huge difficulty that we have with apprenticeships — the high cost of insurance. Recently I was talking to a young man down in Strangford who wanted an apprenticeship with a local small builder. The firm could not afford to pay the insurance of £3,000 for him. It told him, "Go off and get £3,000 and we'll certainly employ you as an apprentice." That apprenticeship could not happen because the young lad did not have the £3,000, and nor did the builder. The only way to overcome that is to work with the Construction Confederation, with which we recently raised the issue, to set up some group insurance schemes.

I cannot answer Peter Brooke's question about MBAs; I do not have a clue.

In answer to Mr Dobbin's question, I think that investment has helped the Republic, but I emphasise that the Republic's adoption of European measures and its exposure to Europe has contributed to the success of the Celtic tiger. In Northern Ireland, there is no real debate about Europe and no exposure to it, except perhaps in agriculture. In that sense, for the Republic's citizens, its public servants and its politicians, there is a huge difference in the whole culture connected with Europe.

Turning to Damien English's question, I can say that university numbers here are capped — there are only so many. Many people who are seeking a place cannot get one in Northern Ireland and have to leave. I agree with the gist of the question asked by Cecilia Keaveney, which was that people from Donegal should be assimilated into universities in Northern Ireland without additional costs. Scotland, because of devolution, does not have the student fees that exist elsewhere.

The barriers to cross-border activity are numerous. They include transport and the banking system. I get paid in Belfast and have a bank account in Dublin, and I cannot transfer money except by cheque, which is nonsense. The charges incurred for transferring money are colossal for businesses. Pensions are another problem. If you live in the Republic, there are problems associated with working in Northern Ireland and taking out a pension, and vice versa. There is also a problem with mutual recognition of qualifications. There is a raft of difficulties that inhibit labour mobility between North and South, and they need to be rectified. Some of them are contributing to the movement of people into the shadow economy and benefiting neither the Republic nor Northern Ireland.

As for assessing the peace dividend and coming up with a figure, that is impossible, Arthur.

Sir George Quigley: I was discourteous to Lord Brooke. The MBA Association of Ireland covers both North and South and has about 2,000 members. It is one of the most vibrant organisations I know of, and that augurs well.

Mr Adam Ewart: The point about music and skill is a very good one. It is about getting away from the standard teaching of English, maths and so on, and getting more things taught in schools. Through my business, karacha.com, I am putting together a catalogue that I will send out to thousands of schools to try encourage the taking up of music. Schools can buy instruments for their pupils, VAT free, which means that they can get good instruments, cheaper.

I did not learn how to play any instruments at my secondary school because joining the choir was a prerequisite. However, I was talking to some teachers in my old primary school a couple of weeks ago, and I am going to set them up with recorders and other instruments. Primary school pupils are now being taught how to play many more modern instruments now, too.

I do not know whether learning to play an instrument was directly relevant to what I do now. If you

heard me playing the saxophone you would realise that I am no musician.

As for giving the young person's perspective, I do not take a hardline view on any political situation in Northern Ireland. Among my friends the view is that it would be good if everybody went back to work, and started working for the people of Northern Ireland. It seems like nothing ever happens. I follow what is happening, but much of it seems very meaningless, and it would be good if everybody got on it. Regarding university places, there are technical reasons, including grants and top-up fees, why people go away to university. However, it comes down to the fact that people just want to get out of Northern Ireland, not in a bad way but because they want to go to university in a city such as Glasgow. They like to go those places; I am going to Glasgow next week to see some friends. People just like to leave sometimes. I am sure that many of them will come back, but quite a few of my friends already have jobs in England.

The Co-Chairman (Mr Pat Carey TD): Thanks very much, Adam. That concludes this part of the session. On your behalf, I thank our three panellists, who have helped to open a rich vein of debate, which I suspect will continue into the second part of the session. Will you join me in giving a warm round of applause to Sir George Quigley, Peter Bunting and Adam Ewart?

[Applause.]

On that note, I hand over to my Co-Chairman.

ECONOMIC REGENERATION AND POLITICAL PROGRESS

The Co-Chairman (Rt Hon Paul Murphy MP): Thank you, Pat. I also wish to thank our three distinguished panellists. They are welcome to stay for the rest of the debate, and we will see them again at dinner this evening. We will not stop for a break at this point, but coffee is available upstairs if anyone feels the urge. We will carry on, however, because we are slightly behind time.

We have touched on economic regeneration, but the Steering Committee has proposed a specific motion on the subject. Therefore, the debate for the remainder of the morning will centre on that. I will ask Michael Mates to open the debate, and Jim O'Keeffe will wind. They may speak for a maximum of seven minutes, but other Members will be given a maximum of four minutes. That will enable us to hear as many contributions as possible.

11.45 am

Rt Hon Michael Mates MP: I beg to move

That the Body welcomes the St Andrews Agreement of 13 October last and commends the two Governments and the political parties on their efforts to restore devolution for the people of Northern Ireland; welcomes the position as set out in the Agreement, that support for policing and the rule of law should be extended to every part of the community; and that such support includes endorsing the Police Service of Northern Ireland and the criminal justice system, encouraging the community to co-operate with the police in tackling crime; and actively supporting all the policing and criminal justice institutions, including the Policing Board; notes that the political parties have been asked to consider the agreement carefully before 10 November; reiterates the importance of this opportunity to establish a devolved power-sharing Government for the benefit of the whole community; encourages the parties to work towards accepting the Government's proposals by the proposed date to allow the Assembly to nominate the First and Deputy First Minister on 24 November to allow for restoration of the institutions on 27 March 2007; welcomes the commitment by the Governments in the agreement to work with the parties to establish a favourable economic climate for Northern Ireland, which is essential for long-term economic stability; welcomes the inclusion in the agreement of support for a future east-west interparliamentary framework as well as provision for a North/South parliamentary forum; and looks forward to welcoming Members of the devolved Assembly to its deliberations at a forthcoming plenary session.

I open with the complaint that I am competing with a coffee break, but I understand why you have decided to press on, Co-Chairman.

The motion covers economic regeneration and political progress. Members have probably had their fill of economic regeneration from the experts this morning, so I will concentrate on political progress. I welcome the St Andrews Agreement and congratulate the parties for achieving so much agreement on 13 October. Even Lord Glentoran would have difficulty objecting to the motion, or moving an amendment to it that he will not press to a vote. Nevertheless, we shall probably hear from him.

In spite of all the sound and fury from St Andrews and all the hopes that it has engendered, two facts remain. They are two formally immovable forces: first, the acceptance of one side to unreservedly sign up to policing and the rule of law, and all that that entails; secondly, the acceptance of real and meaningful devolved power sharing. Those issues were firmly addressed in the agreement and in the Secretary of State's statement to the House of Commons, as the two factors without which the St Andrews Agreement could not be implemented. If those issues are not resolved by 24 November, the Assembly will be dissolved.

I hope and pray that that will not happen. It is sad that there have been one or two resiliings from what was agreed, but I hope that those are merely the last death throes of the "No, never" culture, which, unfortunately, has bedevilled both sides of the argument for many years. Both sides must be unequivocal. I hope that wiser counsel will prevail and that the two issues will be resolved by the deadline of 10 November, in order that we at Westminster can pass the necessary legislation to implement what was negotiated and agreed at St Andrews.

The final point for the Body to discuss is future east-west arrangements. The Steering Committee discussed the matter last night, and I have been thinking about it overnight. I will read a short paragraph from annex A to the St Andrews Agreement, in case some Members have not read it. Paragraph 24 states that:

"East-West Inter-parliamentary Framework. Following appropriate consultation with the British-Irish Inter-parliamentary Body, the two Governments would encourage the Oireachtas, the British Parliament and the relevant elected institutions to approve an East-West Inter-parliamentary Framework which would embrace all their interests. The framework would operate on an inclusive basis."

In the 20-odd years in which the Body has been in existence, it has operated on an inclusive basis. However, it has caused us all repeated sadness that it has not been all-inclusive, because unionists chose not to participate in it. The attendance of DUP members at our previous conference heralded a slight shift in that logjam, and the DUP may appear at some stage at this conference. However, we have yet to get a commitment from the whole body of unionism that it will participate in the British-Irish Inter-Parliamentary Body.

The reason for unionists' non-attendance stems from the fact that many of them thought that the Body was the child of the Anglo-Irish Agreement. However, even if it was the child of the Anglo-Irish Agreement, the Good Friday Agreement superseded that, and we have now moved even further with the St Andrews Agreement. Therefore, it is a pretty limp argument to make for not attending. If all the issues have been successfully resolved by the time that the Body next meets, in Dublin in March 2007, I hope that we will be on the eve of a restoration of the Northern Ireland Assembly, and that we will be able to embrace all the political parties at our conference subsequent to that one.

I hope that I speak on behalf of all Steering Committee members when I say that we must ensure that the Body also moves with the times, because it would be foolish to consider any other arrangement than this Body as the parliamentary authority on east-west relationships and, indeed, on relationships throughout all the islands. We have moved with the times by including the Scottish Parliament, the National Assembly for Wales and the various islands' Parliaments and Assemblies, and the Body is richer for it. However, we must alter our arrangements somehow to accommodate all the political parties in what we hope will be the new Northern Ireland Assembly. That will require a great deal of spadework, which is the job of the Steering Committee. We must ensure that the numbers on the Body are appropriate, so that we can accommodate those new Members. That will change the nature of the Body. However, once again, I believe that it will be a change for the better.

The Steering Committee must put forward new suggestions and proposals for the next conference. I hope that I speak for all members of the Steering Committee when I say that we welcome Members' views on how that may best be achieved.

Senator Brian Hayes: Thank you, Co-Chairman. When the Body met in Edinburgh in November 2005, the Shot at Dawn (Ireland) Campaign was debated. On that occasion, the Body's collective view was that the British Government would move to ensure that pardons were granted to the unfortunate people who were killed in such terrible circumstances during the First World War. We can report progress on that. Over the summer, the UK Secretary of State for Defence, Des Browne, moved on the issue, and it would be right and proper for the Body to recognise that that movement has occurred. Families in Ireland in particular are grateful that Des Browne has given a commitment to resolve the issue. I wish to congratulate him publicly, and I think that the Body should do the same.

The St Andrews Agreement is principally an agreement between both Governments. All the parties have not signed up to it, although they clearly want to make it work. I wanted to speak in this debate, as I want clarification on whether there will be a referendum or an election in Northern Ireland in March 2007. The timetable in annex D to the agreement suggests that the electorate will endorse the St Andrews Agreement in March. However, no reference is made to what form that endorsement will take. I am opposed to the notion of there being a referendum on the St Andrews Agreement in the Republic of Ireland. Whether there is a referendum in Northern Ireland is a matter for the parties in Northern Ireland, but it is being touted and suggested that we may have to hold a referendum in the Republic. I am totally opposed to that, and I wish to explain why.

The endorsement of the Good Friday Agreement by the Irish Republic in 1998 was necessary for two principal reasons. First, it was a collective act of sovereignty by the Irish people for the first time since 1918 — a notion that I very much accepted. Secondly, the Republic had to change its constitution to amend its territorial claim on Northern Ireland, which was inevitable. It would be utterly wrong to rerun that referendum in the South, when there is absolute unanimity and support for the St Andrews Agreement in Oireachtas Éireann.

There was no suggestion of a referendum on the proposed comprehensive agreement of December 2004. I ask, therefore, those who now seek a referendum to stop playing politics with this issue, because there is no basis for a referendum. All the proposed changes in the St Andrews Agreement refer to strand one of the Good Friday Agreement and principally relate to the Northern Ireland Act 1998 — a Westminster Act. I ask people to bear in mind that, while there may be a necessity for a referendum in Northern Ireland, there is not such a necessity in the South.

The significance of where the IRA is now, in comparison with its position some years ago, should not be underestimated. The historical event that brought the Irish Civil War to an end over 80 years ago began with a letter from the then President of the Executive Council, WT Cosgrave, to the then leader of the Irregulars, Eamon de Valera, some 18 months after the start of the war.

In that document, Cosgrave asked de Valera to accept two simple principles: first, that the sovereign wish of the Irish people could be determined only by a majority vote in Dáil Éireann; secondly, that there could be only one legitimate army answerable to, and accountable through, Dáil Éireann. The wise man that he was, de Valera accepted that, and that great act on his part brought to an end the terror that was the Irish Civil War.

Some 80 years later, we are in the same position — although it has taken one very small group of people 80 years to realise that. The significance of the IRA's new position must be underlined; it is a historic change, and that should be recognised.

12.00 noon

Mr Andrew Mackinlay MP: I will talk about the St Andrews Agreement in a moment.

First, I would like to add to Senator Hayes's comments about the pardons granted to British Army soldiers who were killed in such terrible circumstances during the First World War. At its last plenary conference, this Body made representations in respect of those soldiers, and this plenary conference is an occasion to place on record the process that resulted in the British Government's decision to grant those pardons.

At the outset, the Irish Department of Justice, Equality and Law Reform made representations to the United Kingdom Government in respect of the 26 Irish soldiers who were executed. Following that, four ingredients contributed to the granting of the pardons. First, the campaign had not gone away. Secondly, a wonderful lady called Gertie Harris, the daughter of an executed soldier, took the British Ministry of Defence to court: a case that the Ministry of Defence lost. The third ingredient was a change of Minister. Des Browne, a former Northern Ireland Minister, known to many people here and now Secretary of State for Defence, was sympathetic to the issue. The final element was the compelling representations made by the Taoiseach on behalf of the Irish Republic. The Ministry of Defence knew that, at some stage, it would have to reply to those representations and that to do so would be extraordinarily difficult, because the representations were part of a skilfully and carefully crafted legal submission.

I place that on record and, as someone associated with the campaign, I express my gratitude to the

Government of the Irish Republic for its contribution to remedying that wrong.

With regard to the St Andrews Agreement, I am pleased that I caught the Co-Chairman's eye before Arthur Morgan. I feel sorry for Arthur, because, to some extent, insofar as this issue is concerned, he is like Horatius at the bridge. However, it is right that many of us ask Arthur to give an assurance on behalf of Sinn Féin, on this rather public occasion, that there will be a total commitment by his party to recognising the court structures and the Police Service.

In making that request, I acknowledge the enormous distance that his party has moved and the leadership that has been provided — it has its constituency, and we must acknowledge that it has moved constructively, to say the least.

I do not mean to ask this question in a cheeky way, Co-Chairman, but, on occasions such as this, could Members such as Arthur Morgan not give confidence to the unionist community by seizing this opportunity to reassure it? He could, perhaps, amplify how he views the necessary undertakings to cement the St Andrews Agreement in respect of policing and the courts.

Michael Mates commented on the parliamentary framework, and, in that regard, I believe that we should set our ambitions quite high. If the life of this Body, which has done so much over the past 20 years, were to come to an end, and a new Body were to be reconstituted, that would allow the unionist tradition to join it formally. The terminology, titles and names are all important. We must find a new formula. For instance, there might be a case for not having a Co-Chairman as such, but a chairperson or speaker or the Irish equivalent, with the status attached to such a title.

We should perhaps adopt the model of the European Union and so many other international organisations, whereby our chairpersons could attend ministerial bodies on behalf of the parliamentary arm. In the European Union, the Council of Europe and the Organization for Security and Co-operation in Europe, the heads of the parliamentary arms attend ministerial bodies on a parity basis. That sends the right signals. Adopting such a model would add status and dignity to our Body as a parliamentary arm, and Ministers, both in the North and the South, would realise that they must be answerable to the Body.

I do not mean this in any critical way, but it would also get away from the Northern Ireland Office — and probably the Irish Foreign Ministry — which has, in the past, had a disproportionate influence on this Body and on when and where it should meet. We must beef up our act. It is to be hoped that we can steer this Body to a harbour where we can tie it up and launch a new ship with a statutory base. Co-Chairman, perhaps you and the other Co-Chairman should attempt to get some reference in statute to a successor body, which, again, would give it some status and signal to future Departments and Ministers that it has a parliamentary arm.

I very much welcome the promise in the St Andrews Agreement to introduce an Irish language Act, which would be enacted by Westminster. However, the Ulster-Scots tradition should not be overlooked. It may cause misunderstanding and offence if there is not some deference to the Ulster-Scots tradition in the historical Ulster province — not only in the Six Counties that are in Northern Ireland, but in the other three counties, particularly Donegal, which are in the Republic. Much has already been done, and the Ulster-Scots Agency has received public money from the Governments in the Republic and the United Kingdom. The agency has done some very good work.

It is imperative that the national language be advanced, and I would be very proud to be associated with that. However, there should be a commensurate recognition of the Ulster-Scots tradition. I implore Members, particularly some of my Westminster colleagues, not to dismiss or deride that tradition, or to utter some dismissal of it behind their hands. It is in the interests of each and every one of us to recognise that some of the essential ingredients of the cocktail of Ireland are the people, the communities and the traditions that came to Ireland as a consequence of the plantations. The Ulster-Scots tradition must be given commensurate recognition.

I recognise the importance of the past, and I remember being deeply disappointed when a member of the DUP, who was an MP in the House of Commons, referred to the Irish language as a Mickey Mouse language. I found that remark deeply offensive, and it betrayed his ignorance of a national tradition. I mention that because it works both ways. There should be recognition of the rich tradition of Ulster Scots that exists not only in Northern Ireland, but throughout the province of Ulster.

The Co-Chairman (Rt Hon Paul Murphy MP): Andrew made an interesting point about the future

direction of the Body. He is absolutely right about the Ulster-Scots tradition, which is recognised in the Good Friday Agreement. John McFall will speak next, followed by Liz O'Donnell and Iain Smith.

Mr John McFall MP: Thank you very much, Co-Chairman. Many years ago, my forebears left Northern Ireland and landed in Scotland, so I can authenticate the Ulster-Scots tradition. Therefore, I greatly appreciate Andrew's point.

Economic regeneration and the political process go hand in hand. Having heard several dismal comments this morning, we must remind ourselves of the great advances that have been made in Northern Ireland in the past 10 to 15 years. Since 1994, the wanton killing has ceased. On Saturday, I spent a pleasant afternoon shopping in Donegall Place. There was no army presence, and police officers walked the streets with everyone else. Five or six years ago, that would not have happened. The situation, therefore, has changed enormously, and I hope that the St Andrews Agreement will give impetus to the economic and political processes.

Let us not forget that the employment landscape has changed enormously. Unemployment was the big issue when the Labour Government came into power in 1997. New Deal, advances made in Northern Ireland, and, particularly, the employment provided for young people have brought about positive and beneficial change. The remaining issues, such as long-term unemployment and low skills, also affect the rest of the United Kingdom, and it is important that the Government focus on those.

In my short time as a Minister in Northern Ireland, I felt that greater investment in communities was needed. Mention was made of the apprenticeships at Bombardier. Loyalist communities in particular have lost out and feel isolated. The Government must give special attention to investment in those areas.

However, globalisation is the one word that is missing from this morning's debate. Globalisation is changing the world under our very feet. The number of graduates from Northern Ireland was mentioned, but China and India, between them, have four million graduates a year. Everyone is under threat from globalisation, and it is important to respond positively to it.

I underline Sir George Quigley's point that an all-Ireland approach is needed. The distance from Belfast to Dublin is 102 miles; the distance from Glasgow to Aberdeen is 156 miles. However, a certain mindset prevents co-operation between the north of the island and the south of the island. That mindset must change in response to globalisation.

The statement on the economy, 'Not Old Wine in New Bottles', outlines that some 60% of GDP in Northern Ireland comes from the public sector, compared to 40% in the rest of the United Kingdom. Globalisation is changing that agenda, and Northern Ireland, as with the rest of the UK, must engage in upgrading education and skills and, as I mentioned earlier, increasing its human capital.

My experience indicates that the politicians are serious about, and committed to, a new Northern Ireland. With the implementation of the St Andrews Agreement, I look forward to welcoming Members of the devolved Assembly to a future plenary meeting of the Body, at which Members can discuss the main issues affecting Northern Ireland and the United Kingdom in a changing global environment.

12.15 pm

Ms Liz O'Donnell TD: Thank you, Co-Chairman. I welcome today's discussion on the potential for the Northern Irish economy, particularly the input from an important player in the business community and from the trade unions.

It is certainly the case that foreign direct investment (FDI), which has been central to the success of the Republic's economy, could be the way to kick-start the economy of Northern Ireland, where the rate of indigenous industry and enterprise is so low. Whatever can be done by the Governments — the British Government in particular — to lower corporation tax, as recommended by the Assembly's economic subgroup and, indeed, by Sir George Quigley earlier, should be considered seriously. Lowering corporation tax is not the only possible measure, however; rather it is part of a mix that could be used to kick-start the Northern Irish economy. It is wonderful to talk about that subject rather than the usual constitutional issues that have dominated debate in the Body and elsewhere for so long.

I am sure that all Members will endorse the efforts, and commend the achievements of, the two Governments at St Andrews. We hope that their efforts will bring the parties to the positive outcome of

full and final implementation of the Good Friday Agreement. It has taken a long time. Central to the difficulties has been doubts about the bona fides of the republican movement, regarding its permanent embrace of democratic politics over paramilitarism, and its commitment to that. There has also been ongoing mistrust from the section of the unionist community that is represented by the DUP. At last, a position has been reached where those major difficulties can be overcome, which will liberate all the other promises of the Good Friday Agreement.

One of the most depressing aspects of post-Good-Friday-Agreement politics in Northern Ireland has been the gradual diminishing of electoral support for the moderate parties: the ones who took all the risks for peace. Perhaps, as there were so many difficult aspects to the implementation process of the Good Friday Agreement, that was always going to be the case. It has turned out that only the parties of both extremes have the electoral strength to deliver those aspects of that agreement. Certainly, politics has not been kind to the peacemakers of the middle ground in Northern Ireland. I hope that history will be kinder to them and that, as the situation settles down in the future and politics normalise in Northern Ireland, those middle-ground parties will regain electoral support.

Another disappointing aspect is that the Executive and the power-sharing institutions, as envisaged under the Good Friday Agreement, have, since their inception, operated only fitfully. There was a degree of complacency about that, which surprised me, because a central part of the Good Friday Agreement was the basic political settlement that the constitutional position of Northern Ireland would remain the same — part of the United Kingdom — but the border would be blurred by a devolved Assembly, power-sharing Executive and North/South co-operation on a meaningful basis.

Unfortunately, those institutions have not operated effectively in the way in which the Good Friday Agreement intended. I am glad that it looks as though, at long last, there will be a devolved Assembly and power-sharing institutions, and that the people of Northern Ireland will govern their own affairs through their political representatives. That is a key part of the Good Friday Agreement, which would be permanently diminished or rendered irrelevant if those institutions could not be restored.

I am sure that the Body will share my hope that the institutions will function properly, rather than fitfully, as they have been doing.

As to the question of a referendum, which was remarked upon by Senator Hayes, the Attorney General, on behalf of the Irish Government, is looking at whether aspects of the St Andrews Agreement require democratic endorsement in the Republic. It is quite a different matter in Northern Ireland. I understand fully the need for democratic endorsement of the St Andrews Agreement in Northern Ireland — or rather the Good Friday Agreement, as amended by the St Andrews Agreement.

Having changed its position, the DUP will require a mandate from its electorate. From having opposed every aspect of the Good Friday Agreement absolutely, that party is moving to a situation in which it is accepting the final political settlement as represented by the agreement. Therefore, it is understandable that the DUP will need to receive a mandate in order to accept the St Andrews accord. Furthermore, it would be useful for the entire electorate of Northern Ireland to endorse, yet again, the basis of the final settlement.

Given that most of the legislative changes specified in the agreement, as Senator Hayes has said, are relevant to British law, rather than Irish law, it may well be that there is no constitutional requirement for any further endorsement in the Republic.

As someone who was involved in the negotiations eight years ago, I look forward to the time when the Body and the two Governments can improve on their dialogues and relationships. I hope that we can remove the protracted vexed quarrel over Northern Ireland, move on, and have a more mature, friendly and normal relationship between our two countries and Governments.

Given the fact that the unionist community is the majority group in Northern Ireland but a minority group on the island, it behoves us, in the Republic, to make the Republic a warm place for unionism and for those with British allegiance. Having liberated ourselves from the old quarrel, it is exciting to anticipate the development and normalisation of that relationship. We, in the Republic, can begin to be less neurotic about aspects of our Britishness, which, because of that quarrel, we have suppressed for too long. That includes recognising and honouring our pre-independence history, honouring the war dead, as we discussed earlier, and celebrating so much that we have in common.

Mr Iain Smith MSP: I am particularly pleased to follow Liz O'Donnell. She was one of the Irish

parliamentarians who looked after the Scottish delegation who visited Dublin last week at the invitation of Ceann Comhairle. They looked after us very well indeed. I would like to thank all the Members of the Oireachtas who made us welcome.

I am also pleased to speak as the Member of the Scottish Parliament who represents North East Fife, which includes St Andrews, so I am pleased to hear my constituency so highly praised.

Things have moved a long way since I first attended the British-Irish Inter-Parliamentary Body in Galway in 2000. On that occasion, I was slightly taken aback when I went up to my hotel room and discovered that there was an armed guard in the corridor. Now, here we are in Belfast, just a few years later, and there is barely a policeman to be seen.

That is a mark of the extreme change in Ireland in the relatively short time that Scotland has been a Member of this Body, and, of course, this Body can take some credit for those changes. The links built among politicians on an east-west basis and — I hope — on a North/South basis, are very important in developing that change of atmosphere.

I came here from Dublin and spent yesterday wandering around Belfast city centre. I could have been in any city in Europe. Sadly, however, things are very different just outside the city centre. Some of the most significant work that I have done as a Member of the Body has been to participate in the Committee D inquiry into the life chances of young people from deprived communities in Belfast. That matter will be debated tomorrow. It is sad to see that some of those deprived communities, just a few hundred yards from the city centre, are, perhaps, more insular than they have ever been. We still have a long way to go to deal with those issues. I am sorry that I will not be here tomorrow to participate in the debate on the Committee D report, as I have to get back to the Scottish Parliament for tomorrow afternoon's business.

There are some key issues for the peace process that must be examined. When I visited those communities, I could not tell — as an outsider — whether I was in a Catholic or Protestant community: the people, the issues and the problems were the same. However, there are serious issues regarding the fear that may exist within those communities. For example, young people will not go a couple of miles down the road for work opportunities because they are frightened of going out of their communities and crossing into another community to get to those job opportunities. If we are to avoid undermining all the progress that has been made elsewhere in the Province and across these islands, that issue must be addressed urgently.

12.30 pm

There is also the very concerning influence of the paramilitaries — or criminals, as I prefer to call them — in those communities. One of the most depressing things that the Committee learned was that many young people in those communities, instead of getting good jobs and good prospects, have ambitions to join the paramilitaries. That is extremely worrying. Addressing the democratic deficit, getting the Northern Ireland Assembly up and running so that it could take proper control over how money is spent, and bringing in some proper, co-ordinated long-term thinking on issues such as the delivery of community support would solve part of that problem. As I was going around the communities, I felt that there was no strategy for youth work in Northern Ireland at all. There were oodles of funds from various sources, but no clear strategy. Most of the time, organisations were simply rushing around trying to work out how they fitted into the next project, and how to get funding. That matter must be addressed, and a democratically elected Assembly, with effective responsibility for controlling those matters, would deal with that situation.

I turn to the links with the Scottish Parliament, our visit to the Oireachtas last week, and the role that we can play. There is a great deal of potential for tripartite operations among Scotland, Northern Ireland and the Republic. There are unique historical and geographic links between Scotland and Ireland. Historically, populations moved in both directions, and geographically, we are now close enough to get INTERREG IIIA European funding. That gives us great opportunities to develop programmes — for example, in transport and tourism, arts and culture, sport, and education — where we can perhaps break down some of the barriers that still exist between communities in Northern Ireland.

Perhaps we could pass on some of the lessons learned in Scotland, where we have had a large measure of sectarian problems over the years. At one time, there was a real fear that the Troubles in Northern Ireland would spill over into Scotland, and a great deal of effort was made to address those sectarian issues. I hope that we could use some of the INTERREG IIIA European funding to operate

tripartite programmes that would begin to address some of the problems that are faced by those deprived communities.

There is also much potential for co-operation between universities in Scotland, Northern Ireland and the rest of Ireland in higher education and research. Such co-operation should not just involve student exchanges: many students from Northern Ireland already study in Scotland. We should consider also how higher education institutions could work together to develop and to create new opportunities. We also want to investigate projects such as developing renewable energy, because Scotland hopes to become one of the world leaders in areas such as tidal power and wave power. By working with Northern Ireland and Ireland, we can, perhaps, develop renewable energy projects between our regions. Through tripartite working, Scotland, Northern Ireland and Ireland can do a great deal to build on the St Andrews Agreement and on the peace process.

It has been mooted that this Body may be disbanded and be reconstituted in another format in order to get Northern Ireland politicians on board. If that is necessary, I will welcome that. Whatever form this Body takes in the future, I hope that Scotland can continue to play its full part and contribute to the success that we have seen over the past few years.

Senator Martin Mansergh: Thank you, Co-Chairman. It is a great pleasure to be in the Waterfront Hall, which is a symbol of the economic regeneration of Belfast. Indeed, a couple of nights ago, I had the pleasure of attending the José Cura concert here. Belfast and other parts of the North have some of the best facilities on this island, and everybody on the island should make use of them. Had we believed the school of cynical realism, which said that we were wasting our time and just going through the motions, the St Andrews accord would never have happened. Not for the first time, it showed that patience and persistence are rewarded.

As Jim Gibney of Sinn Féin pointed out in an article in 'The Irish News', we have never before been in the position that we are in now in respect of across-the-board acceptance of the framework for progress. The Taoiseach made the same point in Bodinstown yesterday, when he also paid tribute to his partner, Tony Blair, as having surpassed Gladstone.

I look forward to the peace process being successfully concluded. I must also pay tribute to the person on the British side who started it, and who will follow me in addressing the Body, Peter Brooke. As was made clear in the previous session, the successful conclusion of the peace process is essential for the Northern Irish economy.

The St Andrews Agreement has implications for the British-Irish Inter-Parliamentary Body. I agree with Michael Mates that to be quoting the Anglo-Irish Agreement is, at this stage, a very limp argument. It is a question of unionist self-confidence in a body such as this, and I hope that, when the other things are in place, that self-confidence will also fall into place. I am also encouraged by the positive language in relation to the establishment of a North/South parliamentary forum to bring together Members of the Dáil and the Assembly.

Something that has not yet been mentioned is the continuing — albeit at a low level — loyalist and republican paramilitary activity. Responsibility for dealing with that rests primarily with the security forces. However, there is also a political-ideological dimension, which politicians and community leaders should not neglect. Positive engagement with leaders to dispel paramilitary activity is good, but people who essentially pick out a random Catholic to mutilate are a disgrace to any British or protestant tradition that they claim to champion.

Many dissident republicans claim to be socialists, but what socialist in the past few decades believes in punishment beatings, the death penalty or the abuse of human rights? Have the active dissident republicans ever done anything to unite Protestant, Catholic and Dissenter, or do they not believe in that any more?

This morning, the United States Government excluded Ruairí Ó Brádaigh from their jurisdiction. The type of case that I have analysed needs to be looked at more critically, and there needs to be less tolerance of people who engage in active paramilitarism.

Although they are different, both the Irish and Ulster-Scots traditions must be cherished. The Irish language is different from Ulster Scots. I have great respect for the language of Robbie Burns. A slight difficulty is that a Catholic and Gaelic Ulster-Scots tradition exists in places such as Donegal and the Highlands of Scotland, and I have slight reservations about the exclusive appropriation of the name. It

seems absurd that the part of Scotland nearest to Ireland/Northern Ireland, the Mull of Kintyre, which is 12 miles away, might as well be 200 miles away for all its practical purposes. If Ballycastle were in Scotland, there would, of course, be a transport link. It seems utterly extraordinary that the two closest parts of these two islands have no physical link whatsoever, and if it requires a modest subsidy, the appropriate authorities should get together and provide it.

The Lord Brooke: Let me first thank Senator Mansergh for his very kind words about me. I respect what he said otherwise.

Like all Members, I wish the St Andrews Agreement well, but I want to concentrate on economic regeneration. I fear that in my opening remarks there will be a touch of that memoir by a Liberal peer at the start of the twentieth century, whose publication was held up for three weeks because the printers had run out of the capital letter 'I'. I worked in the private sector for 18 years and then had 30 years in the public sector. This morning, I worked out that, since 1972, I am the only Secretary of State for Northern Ireland to have served in Her Majesty's Treasury, which I did for four years, and that, I fear, may have been a significant disadvantage over that period. I am not one of nature's entrepreneurs; I am a chairman by temperament. I am not a managing director, but I was the first headhunter — in the sense of executive search, rather than advertising — in the United Kingdom. Ten years ago, I asked someone in the private sector what progress had been made since I had left. I was informed that in 1996, 166 firms in the United Kingdom handled appointments at salaries above £100,000. I guess that there are now about 250 such firms. Therefore, an acorn has become a decent-sized copse. During my final five years in the private sector, I led the management buyout of the firm for which I worked, turning it from a business dominated by its founder to a company that some 50 people owned. That firm is now one of the four largest in the world, operating in 40 countries.

In 1972, when I was still with that firm, I was in Brussels at the time of Britain's entry into the European Community, and, at that time, 30% of the GDP of the three Benelux countries came from trade on an intra-Benelux basis. I shall come back to that statistic in a moment.

Fifteen years ago, in an analysis of the effect of the border, the Northern Ireland Tourist Board conducted research in the Republic into how many people had visited the North in the previous 25 years and what the attitude of the rest of the population was. In that time, 23% of residents in the Republic had visited the North at least once, and 27% said that they would not mind doing so. The remaining 50% said that under no circumstances did they have any desire to visit the North.

Fifteen years ago, 10% of GDP, North and South, came from trade between the two regions. Those figures are somewhat distorted because Mrs Thatcher's industrial relations reforms had made the Northern ports more attractive for the export of goods from this islands. Therefore, half of the exports from the Republic to the North were simply entrepôt trade, going out of Northern ports to other destinations. I am delighted that 27% of Northern Ireland manufacturing exports now go to the Republic, as was indicated this morning. However, that is still below the figures that the Benelux countries had 35 years — one third of a century — ago.

What is the moral of all this? If I were starting out again in business — and in Northern Ireland — any business plan would need to be on an all-Ireland basis from the start. The Republic's being globally competitive is not a bad proxy on which businesses in Northern Ireland can test their effectiveness. The St Andrews Agreement and the renewal of the Northern Ireland Assembly are important. However, if a person is a serious entrepreneur, Government are incidental to his or her drive, single-mindedness and strategy. Those who spend time complaining about the Government as a crutch will not be successful in business. If the Government could help by providing a good environment for business, that would be a plus. That brings me full circle to wishing the St Andrews Agreement well.

12.45 pm

Mr Seymour Crawford TD: First, I want to thank Sir George Quigley and Peter Bunting for their extremely useful comments this morning. There is no doubt that foreign investment is needed in Northern Ireland. Border counties such as Cavan, Monaghan and Donegal have not fared any better because of the problems in that part of the island over the past few years.

At the BIIPB plenary conference in Edinburgh, I said — to the consternation of some — that the Good Friday Agreement might need to be tweaked if we are to reach agreement. To some greater or lesser degree that has happened, and I welcome it. The attitude of the parties to that agreement has been significant. In other places, others and I have said that the agreement is solely between the two

Governments, but it clearly has been accepted by all the major parties.

Two issues are outstanding: power sharing, and policing and law and order. Members have asked my good friend Arthur Morgan to give us an indication of how things are going on his side. Over the past 12 months, we have seen a major change in the attitude of the DUP. Although there are still some very outspoken comments, there is a general realisation that power sharing, and all that goes with it, is the only way forward.

I want to pay tribute to the SDLP and the UUP for the major role that they have played. The one good thing that came out of the St Andrews talks was the fact that those parties, the Alliance Party and others were brought back on to the scene, to some degree, by the two Governments. If we are to have real and lasting peace on this island, especially where we are today in Northern Ireland, there must be consensus and a working agreement among all the major players.

From discussions that I have had with members of Sinn Féin and the DUP, it is obvious that they have different anxieties about policing. The DUP is finding it very difficult to accept 50:50 recruitment for the Police Service of Northern Ireland. That system only became necessary because of Northern Ireland's historical difficulties, which I hope can be got rid of soon.

Only when all major parties accept and get involved in policing and law and order can the people of Northern Ireland have a just society and a system that they can trust. I urge all those concerned to ensure that the issues are not just talked about but are made a reality. Power sharing was possibly one of the major causes of the difficulties in Northern Ireland. The sooner the DUP realises and actively embraces its role in restoring power sharing, the better.

Those of us who have travelled to Northern Ireland and have been in Belfast in the past 30 years cannot but be impressed by the current security situation and the clear signs of investment. It was great to drive through Northern Ireland to Belfast yesterday. At one stage, I would have liked to have seen a policeman, so that he could have told me exactly where I was, but, in the main, there was no sign of security. That is a major change for which we must be thankful.

However, the whole issue still depends on one simple word: trust. Everything must be done to build, to earn and to justify that trust. If that is done over the next few months, we can look forward to having a proper, working Assembly. I want to see that happen, not only because of what it will mean for peace in Northern Ireland, but because of what it will mean to the economy of Northern Ireland and the border counties.

The border counties have in many ways suffered more, because their problems have not been as well recognised as their counterparts' in Northern Ireland. When businesses in the border counties were damaged, they were not replaced to the same extent. One need only look at Clones to see the bomb sites that are still there. Those issues must be dealt with.

When the Fine Gael party leader was Minister for Tourism and Trade, he was instrumental in developing cross-border tourism and that work led to the creation of Tourism Ireland Ltd. That company shows what can be achieved when this island is promoted on an all-island basis. The island's economy can be dramatically improved. I hope that everyone will put in every effort in to ensure that our final push pays off.

The Lord Glentoran: Thank you, Co-Chairman. First, I want to say how delighted I am that this plenary sitting is at last being held in Belfast. It should have been held in Belfast a year ago, but an arbitrary decision was made to take it away from here. On the strength of that decision, I voted with my feet and refused to attend the rearranged conference in Edinburgh. I have nothing against the Scots; rather I have a problem with those in authority who arbitrarily moved the meeting from Belfast to Scotland.

Secondly, I wish to thank all Members from the Dáil, whose hospitality I enjoyed during my recent visit. Rory O'Hanlon very kindly invited me to attend the last sitting of the Dáil before the summer recess. I shall remember that great day for ever.

I shall say a few words about our guest speakers' presentations on the economy. I agree with the health warning that Peter Bunting gave. I have issued the same warning in various business forums. By Northern Ireland's standards, its economy is now strong.

In the 30 years in which I have been living here and have been associated with businesses, the pendulum has swung backwards and forwards several times. The Republic's economy has varied, as has its currency strength, but now, as we know, it is very strong, and what has happened down there has been brilliant. That regeneration must create opportunities for a somewhat poorer neighbour, and it would be crazy if we in the North were unable to take advantage of that and build on it.

There is, however, a tendency for people to muddle up the Northern Ireland economy's role in a 32-county economy and its being a very small corner of the fourth-biggest economy in the world. One must be careful not to cherry-pick when making comparisons. Northern Ireland is a small corner of the fourthlargest economy, or thereabouts, in the world, not part of a very successful all-Ireland, 32-county economy. That fact relates to our earlier discussions on taxation: an old subject, when considering the Northern Ireland economy.

We used to discuss revenue rates — the tax rates on tobacco and alcohol, and so on — that still exist. Sometimes, discussions focused on comparisons between the punt and the pound. Corporation tax has always been a subject for discussion. During my time with Redland Tile & Brick Ltd, I remember only too well trying to bring investment to the North while competing with the South, which always seemed to hold all the aces. I have warned my own party that we must be very careful if we are going to alter corporation tax or examine major tax issues in Northern Ireland. I urge caution to anyone strongly promoting those ideas.

I have some concerns about the St Andrews Agreement, although I agree with Michael Mates that there is much in the motion and the St Andrews Agreement that is easy to support. The other day, Ian Paisley told me that nothing has been agreed by anybody except the two Governments. The next day, I read Gerry Adams on the front page of 'The Irish Times' saying exactly the same thing. Therefore, do not get too excited yet about the St Andrews Agreement.

It will be terrific if they can make it happen, but what worries me is that the Secretary of State and his team appear to have confused economic issues with the political agreement, which is a treaty. He said in the House of Commons that the local parties could have a cap on rates if they agreed to sit down together at Stormont, but if they did not, that cap would be denied. In my book, to play those sorts of games is not sensible. I am sorry to criticise my own Secretary of State in this forum, but that is not the right way in which to proceed. It does not help the people who are trying to regenerate the economy, and I do not suppose that it will help the politicians.

Such an approach would certainly make life difficult after any agreement. When he has spoken about the Northern Ireland economy, Lord Rooker has been very clear about where Northern Ireland needs to go, and I have no problem agreeing with him. To start clouding that clear direction for our economy with niceties and bribes to persuade the two main parties to get together will not achieve anything satisfactory — if, indeed, that is what is happening.

Other sensitive economic issues, such as education, about which we have also talked, are outlined in the framework of the St Andrews Agreement. Incidentally, I agree with much of what was said this morning on education. My party argued strongly against the removal of the 11-plus and the grammar schools. However, we are all aware of the fact that primary education in many parts of this country is well below the necessary standard and much needs to be improved.

We can provide answers to that, whether in the Shankill or nationalist west Belfast. When paramilitaries have control over who can go to certain schools, and are bombing schools, it is extremely hard, at both primary and secondary level, to provide a really good education. There is a desperate need. This morning, we heard from Sir George Quigley and Peter Bunting that we need to restore the sort of education that will result in artisans playing a role in the economy again. Issues such as education are of prime importance, but let us not mix up how education can be improved with the St Andrews Agreement, because educational improvements will come later and must not be seen as a high-profile political battle.

Senator Martin Mansergh mentioned my final concern, which is about dissidents. We recently received a warning from the security forces that dissidents will try to disrupt everything. They are already very strong and, we are told, getting stronger. Arthur Morgan is due to speak next, and I would love to hear whether he thinks that the time will soon come when Sinn Féin will be able to support the PSNI in dealing with dissidents. I do not wish to insult him or republicans in any way, but they must know who those people are. Throughout all these years, they have been so close that I cannot believe that there are not people in Sinn Féin who know who is leading the dissidents.

Lastly, I have, for a change, some sympathy for Sinn Féin and Mr Adams. I believe and understand that he is probably having huge difficulty in persuading the core of grassroots republicanism to accept what is being asked of them in supporting the PSNI and a British Government.

1.0 pm

2.0

Mr Arthur Morgan TD: Go raibh maith agat, a Chathaoirleach. I welcome the bit of sympathy from the previous Member who spoke, which is most unusual, given that, in the past, his contributions have been considerably robust and strident.

I welcome also the changed agenda for this morning. It was very constructive and useful to hear from guest speakers on specific issues. It was useful to hear from Peter Bunting, especially his take on corporation tax, and to hear from George Quigley on a range of issues. It was much more constructive than our past debates, which have consisted of a range of pro-unionist types having a go at me, my party, the IRA or whatever. At least the tone from all sides this morning has been considerably more constructive; therefore, if I can help it, I will try not to create too much discord.

I will first set out my party's position on policing. Sinn Féin wants a proper policing service: a civic police service that is fair and reasonable to all. We do not want political policing. I could give examples of political policing, but we will set that matter aside for the moment — if any Members want to hear my examples, they can talk to me afterwards. Of course, Sinn Féin also wants the devolution of policing powers, and it is very important that those powers are devolved to a local Administration.

A Member who spoke earlier talked about the courts and the justice system. The whole apparatus of justice hinges on the police and the courts. Sinn Féin has accepted the principle of proper policing and a proper courts system, but that acceptance is completely dependent on the structures involved. I do not wish to be too mealy-mouthed about it, but let us hope that we can move towards creating those structures on the back of the St Andrews Agreement. I hope that that can be achieved in the future. Another Member asked whether I could send a positive message to unionists — I hope that I can. Republicans want to work with unionists. We want to help, not just unionists, but all of this society to achieve some of the requirements, outlined earlier, that are necessary for a proper economy and a proper society: proper educational facilities, with proper — and higher — educational attainment, decent housing and decent employment prospects. No one segment of the population on this island can achieve that without all of us working together. I hope that we can achieve it through the regeneration of the many parts of this society that have been left behind, not just as a consequence of the armed struggle and the entire political conflict, but because of economic policies at Government level. That must be addressed.

Those economic black spots are not only in and around Belfast. They exist elsewhere, particularly along the border areas, and must be addressed.

I agree with Peter Bunting's take on corporation tax. It is an important element, but it is not the be-all and end-all. If those Members of the Body who are in attendance today really want to support peace building in Ireland, perhaps they will lobby Gordon Brown to facilitate a single corporation tax regime on this island.

In the first session, Members said that they did not think that that would happen because British politicians would begin to lobby for a special concessional corporation tax for Scotland, Wales or a particular region in Britain. This is an opportunity for Members to prove that they are big-minded and to recognise that the Six Counties is completely different to any of those areas. I would love to tell Members how that came about because of the occupation, Government policies, and so forth, but I will not do so. Members who have spoken, particularly Michael Mates and Brian Hayes, have made measured contributions. I do not, therefore, want to be unfair to those who spoke before me. However, lobbying Gordon Brown is one example of how Members could make a significant contribution to the developing peace process.

Seymour Crawford asked whether Sinn Féin would indicate its current situation. Sinn Féin has undertaken a process of consultation with its own membership, the broader republican family and, importantly, the broader community. That process has started and is being rolled out as we speak. Sinn Féin must consult those people and hear their views and opinions. At the end of it all, Sinn Féin wants a settlement. I hope that the settlement that we all seek can be achieved through the St Andrews Agreement.

There is still work to be done but rather than saying anything intemperate or sounding a discordant note, I will leave it at that. I hope that in the time ahead we can finish the process and meet any deadlines. I hope that political development will lead to unionists' attending the Body and making it more useful and constructive in dealing with real socio-economic issues, a process that began this morning and one that I hope can be developed, Co-Chairman.

Go raibh maith agat.

The Lord Gordon: Co-Chairman, I want to concentrate on an industry that I hope will bridge the gap between this morning's first session and the debate on the St Andrews Agreement. When I say that the industry is tourism, some Members may think that that is somewhat homespun and unglamorous. However, I remind them that tourism is the fastest growing industry in the world and that if Northern Ireland had the same expenditure per head on tourism as Scotland, which is only 20 miles away, as we have been reminded, its tourism industry would quadruple.

Tourism has several other advantages. Almost by definition, it is indigenous and cannot be moved to a Third World country. Admittedly, its customers can go anywhere because tourism is a highly competitive industry. However, the globalisation of tourism teaches us the first lesson: the idea of Northern Ireland, or indeed the whole of Ireland or the whole of Scotland, operating on its own is a joke. Collectively, Ireland and Scotland are part of a group of offshore islands at the edge of Europe. If we start promoting tourism, we can forget the North/South and east-west political initiatives. They will grow naturally as people realise that it will be of greater benefit to tourism in each part of these islands if everyone works together, North and South, and east and west. In that regard, I want to echo Senator Mansergh's plea for greater work and effort to improve links between Northern Ireland and Kintyre. I will place my own family's history in context. I come from the Highlands of Scotland. In the 1760s, three of my ancestors from a remote village in the east of Scotland in the Highlands came across to Ireland because the forecast was that the harvest was better there. Inevitably, links between Scotland and Ireland have been somewhat soured by the opinion that Scots only came here because of the plantation. They also came for economic reasons. They almost commuted from Scotland to Ireland. It is ludicrous that in the twenty-first century, to get from here to Campbeltown, one must take a roundabout road, drive up past Glasgow, up Loch Lomondside and come down the Mull of Kintyre. Although that is a beautiful journey, which I commend to Members, I suggest that people would wish to do it only one way and would prefer a quicker ferry link back. More must be done to link Scotland and Ireland.

Another advantage of tourism is that it creates employment. The figures that we heard today suggest that tourism has been important to employment in Southern Ireland. The creation and improvement of facilities for tourists produces benefits for the indigenous population because the people who reside here can enjoy them all year round. Incidentally, I would quarrel with people who claim that tourism is seasonal. We kid ourselves if we believe that anyone comes to these islands during the summer to sunbathe. Longer nights may not be appealing; however, city breaks take place throughout the year. There is a lot of year-round tourism.

One big advantage of tourism, especially for Northern Ireland, is that it gives everyone in the population a vested interest in normality. There are various destinations throughout the world that I would dearly love to visit. However, in the current climate, I would regard the Middle East, for example, as a somewhat risky destination, and no one wants to think of Northern Ireland in the same way. If there is an emphasis on tourism, there is an emphasis on the need to make everyone feel welcome and safe. It would also, above all, help to restore some pride in Northern Ireland. I am concerned that there has been a loss of confidence here. If local people were showing their country off to visitors, however, they would, inevitably, start to feel proud of it again.

My native city is Glasgow. During the 1960s, Glasgow's approach to its problems — such as when someone produced a report that said that the city had the worst record for X, Y and Z — was to call a press conference in order that we could moan about how bad the situation was in the hope that more public money might be poured into the city. Finally, we started to boast about the city. Believe it or not, tourism is now one of the major industries in Glasgow. The city has five times as many four-star hotel beds as it had 10 years ago. When people welcome visitors to Glasgow, it makes them think that if others want to visit their city, it must be a good place to live and that they should therefore not be ashamed of it. The same sense of pride can be restored to Northern Ireland.

That may seem humdrum and homespun. However, investment in tourism will produce many of the

results that are sought through the St Andrews Agreement.

Senator Brendan Ryan: It has been great to listen to other Members. I will try to keep my comments brief.

As an Irish republican — I am saying that deliberately as it is the first chance that I have had to do so before Arthur Morgan says it — I have sympathy with Sinn Féin's present position. I am astonished that a place that is now less threatened by terrorism, we are told, than the city of London or many other big cities in Britain still has a police force that is always armed. I do not understand why the PSNI must be armed at all times.

The unarmed police service, which we have in the South and which is still the basis of police forces in Britain, is a wonderful and enormously successful idea. I have considerable sympathy with Sinn Féin's general wariness of spooks. I have never been interrogated by spooks, but a succession of people have been detained on other issues and have been questioned seriously about my opinions. Worry over the capacity of the secret services to extend their interests far beyond their spheres is a perfectly legitimate concern that I share fully with Sinn Féin. The history of that party, however, suggests that it may still be deserving of scrutiny from time to time.

I am astonished at the apparent consensus that it is good that selection, as regards secondary education, is to be retained as part of the St Andrews Agreement. In the Republic, we have a very mixed-up second-level system, which, in some ways, is extraordinarily socially selective, particularly through the subsidising of private, fee-paying schools. However, second-level education in the Republic is not based on academic selection. Subjecting 11-year-old children to competitive academic examination is as brutal a thing as one could imagine. I do not believe that there is a scrap of evidence from the Republic — regardless of social selection — that academic selection on entry to second-level education would have improved economic performance. I want that on the record, since it has not been mentioned previously.

1.15 pm

We always skirt around the subject of mixed-religion education. One of the issues that we should confront is the peculiar language of the churches. No church will say that it is against multid denominational education; rather they will state that they want to preserve parental choice. My experience of the Catholic Church, and my reading of the other churches' positions, is that by parental choice, they mean that they want parents to keep choosing those schools that the churches control.

The fact that the churches deny that they want to control education — except when they are in hardheaded negotiations with Government, when that is precisely what they look for — is an ambiguity that is less than the honesty that one expects from people who should be the moral leaders in a society like the Republic, not to mention Northern Ireland.

I turn now to the proposal for a new east-west body. The fact that the Governments thought up that one without much reference to anyone else is a comment on how they view this Body. Regardless of the intricacies of structure and membership, Andrew Mackinlay is right, an issue that must be sorted out is the creation of a good relationship between a future inter-parliamentary body and the Governments. It is vital that that relationship be not just about the body's thinking about issues and the Governments eventually getting around to acting upon its recommendations.

This morning, I deliberately raised the serious issue of the mutual recognition of penalty points. When driving on the roads in the Republic, particularly the newer roads, one sees the enormous procession of Northern-registered cars shooting past, not just 5% above the speed limit, but massively above it. The drivers know that they cannot be caught. This Body is entitled to a more rapid response than, three years on, to still be waiting for the Governments to make up their minds.

Mr Eddie McGrady MP: The debates on the economy and on economic and political developments have created a dichotomy for me. One expert opinion was that economic regeneration depends upon political stability, while another said that, in the long run, it is independent of political stability. I cannot solve that conundrum.

In addressing the St Andrews Agreement, I confess to a sense of political repetitive strain syndrome. That agreement is not between the political parties of Northern Ireland and it should not be criticised or analysed as such. It is best described as a memorandum of understanding between the two

Governments as to what they wanted, and, to a lesser extent, what the political parties wanted.

During the past few years, one of the most frustrating aspects of political life in Northern Ireland has been the Government's reiteration that they want to listen to the people. Yet on every occasion when the parties of Northern Ireland were unanimous in their opinions, they were totally and absolutely ignored. That extended to education, rating and other social and economic matters. There is a falsity there.

The St Andrews Agreement was a memorandum of understanding, but it had a flaw. Yet again, Downing Street and, to a lesser extent, Leinster House have done private side deals with some of the parties. One cannot create trust without openness for all participants. For instance, how could one argue that a major change in Northern Ireland's education system is the prerogative of one party, as was the case with the DUP at St Andrews? That is an absolute nonsense. The same applies to the capping of rates and other issues. Those are not party-political issues, but matters for all the people and political parties of Northern Ireland. Those matters should not and must not be handled through side deals. Trust can only be created through openness: there is no other way. There cannot be both secrecy and trust: they are incompatible.

There are only two major areas to be addressed, and they have already been agreed: we must all subscribe to a lawful society, and we must all subscribe to the equality of one another through partnership. The irony is that the two strongest parties that are mainly engaged in those issues have both reiterated continually that they subscribe to both of those principles. What is happening, and why are they not involved in a devolved Administration? The answer is that horrible word "choreography", and arguments about who jumps first. The programme annexed to the St Andrews Agreement is all about parties testing the water as they go along. Nonetheless, and despite those deficiencies, the St Andrews Agreement was a good result, and good progress was made.

The SDLP is quite satisfied with most of the St Andrews Agreement. We restored the rights and safeguards of the minority groupings in the Northern Ireland Assembly, which were abandoned under the so-called comprehensive agreement. We are strengthening the North/South relationships and bodies, which should be strengthened and developed on an economic basis, irrespective of whether there is agreement.

As to the devolution of justice, the SDLP has enormous concerns about the additional powers of MI5 to intervene in the accountability of the PSNI. The SDLP addressed that issue very strongly with Government privately, publicly, and at St Andrews, and considerable —although not total — progress has been made.

The Patten programme for reform is virtually complete. In fact, the devolution of justice is almost a figment of the imagination, because various Departments, under various guises, are administering much of the work that would be involved in a Ministry for justice in Northern Ireland. A Ministry for justice is not and should not be an impediment to participation. It would merely be a formal recognition in legislation of what has happened anyway.

What about the so-called economic dividend? I resent the word "dividend" as somehow a reward for being good. That is not what economic development is about, irrespective of whether there is agreement. Two matters impinge greatly on our economy, and we have suffered as a result. One is the lack of infrastructural investment over 30 years — the entire period of direct rule — for which we are now being asked to pay. The second is the hundreds of millions of pounds that were diverted away from providing for the welfare of the people of Northern Ireland and unnecessarily wasted on the security situation and the need to pay out compensation. Those two issues have largely brought us to the economic position that we are in now.

That is why there is great resentment in Northern Ireland about the imposition of those huge increases in local taxes, which will have an impact on the lives of many of our citizens. Irrespective of whether we have an agreement, there must be reinvestment, and it must be done in such a way that the British Treasury redresses the neglect of the past 30 years. I am pleased to note that the Irish Government are also now committed, through the North/South bodies, to substantive investment in Northern Ireland's infrastructure, which marks an interesting and exciting new beginning.

To conclude, Co-Chairman, despite the problems, we got a lot of satisfaction from the St Andrews Agreement. I believe that it will come to fruition, and that we will have restoration within the time frame indicated in annex A to the agreement. If the parties are given enough time to bed down the issues and

work together, stable Government will be restored in Northern Ireland.

I shall refer to one proviso before I finish, however. There is a question over whether we should have elections in the spring of next year. I strongly urge the Governments not to consider that. Let us continue until the statutory election date, which is a year and a half to two years from now. If we require an endorsement of what the parties agree, we need only hold a referendum in the North on the simple question, "Do you agree or disagree with what the parties have agreed to?" That is simple, noncontroversial and non-divisive. There should be no party political platforms; it should be a concerted, harmonised approach to the electorate to endorse what we are doing.

An election would prove very divisive. If appropriate, because this is not in my remit, an endorsement of the agreement by Dáil Éireann would reflect support for the agreement by the people of the Republic of Ireland.

Mr Jim O’Keeffe TD: There is obviously clear support for the motion on economic regeneration and political progress. That is not surprising, because the motion has been drafted to take into account the various elements of the St Andrews Agreement. What is clear now is that an intensive period of activity lies ahead. The next important date — November 10 — is only two weeks away, followed by November 24, when I hope that nominations for the posts of First Minister and Deputy First Minister will be made. It has been four years since the Assembly was suspended, and it is time to get back to having a devolved Administration in Northern Ireland. Most people, if not all, support that view. Unsurprisingly, after the earlier debate, there has been much discussion on the opportunity for a peace dividend to accrue for the Northern Ireland economy. That idea has the good wishes of everybody. "Dividend" might not be the right word, but everybody supports the sense of that message.

On the political side, the key remaining issue is that of support for policing and the criminal justice system. A democratic system cannot operate properly without adhering to those concepts. That is the final piece to be put in place.

I shall briefly remark on the contributions made to the debate. Michael Mates opened in his usual style, and he referred to the fact that the St Andrews Agreement touches on two things: the North/South parliamentary forum and the east-west intra-parliamentary framework. Again, it is clear that progress will probably be made on those fronts as soon as the main institutional arrangements are in place. Brian Hayes commented on the issue of a referendum in the Republic of Ireland. Liz O’Donnell also touched on that, and she mentioned that the Attorney General was looking at whether aspects of the St Andrews Agreement require democratic endorsement in the Republic. I want to make clear my view that if the agreement involves constitutional requirements, there must be a referendum in the Republic. If there are no such constitutional requirements, there should be no referendum — it should be as simple as that.

Brian Hayes also drew some analogies between the end of the civil war and the end of the Northern Ireland Troubles, and his remarks had some resonance with me.

Andrew Mackinlay spoke on several issues, including the need to give total commitment to the courts system and the police service. He also spoke of the possibility of a greater role in future for the head of the British-Irish Inter-Parliamentary Body. Again, that is a very positive proposal.

John McFall noted that political progress and economic regeneration go hand in hand. He also made the important point that there are only 100 miles between Belfast and Dublin. My constituency of Cork South-West is 100 miles long, and there is a sense of identity there. John talked about a need for a change in mindsets, both in Dublin and in Belfast, if we are to make progress and fully benefit from any proposed economic regeneration.

Liz McDonnell touched on the issue of the marginalisation of the moderate parties. I strongly believe that we should recognise the pivotal role that they played, particularly the SDLP, in very courageously opening political dialogue with the republican movement. That can be forgotten in a situation in which the focus is on Arthur’s party, merely because it is still digging in on one of the major issues. The Government should in no way allow the importance of an all-inclusive and transparent model of negotiations to be ignored, or the need to include the moderate parties that did so much to get us where we are.

Iain Smith brought a particularly Scottish view direct from St Andrews. He highlighted well the issue of deprived communities on both sides of the divide here. In a way, I could see common Catholic and

Protestant misery in parts of Belfast. We should take note of his warning that some people are faced with the prospect of a career as a paramilitary thug. That is an alarming point.

Martin Mansergh is clearly not a graduate, or even an honorary Doctor, of the school of cynical realism. He put a strong case for the need to have less tolerance of those engaged in active paramilitarism. I put it more strongly — there should be absolutely no tolerance of anybody involved in active paramilitarism and total rejection of any such activity in future.

Lord Peter Brooke put on his economic hat, which made for an interesting change and which shows that he is probably a lost Chancellor of the Exchequer.

Seymour Crawford spoke of the need to focus on policing and power sharing, and he commented on the need to build, earn and justify trust.

Naturally, Lord Glentoran proclaimed his delight at the meeting being held in Belfast. I recall his strong insistence on that when certain people resisted and, therefore, I understand his view. He contrasted Northern Ireland's status as a small part of the fourth largest economy in the world with the possibility of its being part of a thriving all-island economy. I am not sure whether it was to the consternation of Arthur Morgan, but he indicated that he had some sympathy for Sinn Féin and Gerry Adams. Today, Arthur Morgan was a new Arthur Morgan — a new measured Morgan. He welcomed the constructive tone of the debate and talked about issues such as corporation profits tax. He referred to past debates when much emphasis was placed on IRA activities. It did not escape him that today's debate did not focus on bombs, bullets and IRA activity because that activity has stopped. I warmly welcome the Provisional movement's progress towards democracy over the past year and a half, as is strongly evidenced in the Independent Monitoring Commission's reports. Everyone hopes that the Provisionals will complete that journey. I was interested to hear that Arthur is in favour of a major reduction in the 30% corporation profits tax rate applicable in the North, as opposed to the 12.5% rate in the South.

Lord Gordon clearly outlined the issues relating to tourism. He knows the business well, and I agree with much of what he said. The tourism industry must be developed if there is to be real economic regeneration in Northern Ireland. He made the significant point that if Northern Ireland had the same expenditure per head on tourism as Scotland, the industry would quadruple.

Brendan Ryan made an interesting point on armed versus unarmed police forces and also referred to only 5% of education in Northern Ireland being integrated. Unsurprisingly, given the recent horrific death toll on our roads, he touched on the issue of penalty points. Lord Dubs, Brian Hayes and I are members of Committee A, which produced a good report on penalty points and will further discuss the issue at a meeting this lunchtime. Penalty points will also be mentioned in tomorrow's plenary meeting. Eddie McGrady expressed his view on what I can classify only as the continuing constructive role of the SDLP. He demonstrated and epitomised the importance of its role over the years. He made one particularly important point that was not touched on by other Members: private side arrangements between the Governments and individual parties are a dangerous business. They have caused many problems in the Republic. Secret arrangements were made with Sinn Féin concerning the release of the murderers of Detective Garda Jerry McCabe, which people in the South totally rejected. I understand that secret arrangements were also made in relation to speaking rights in the Dáil and a presidential pardon for the so-called on-the-runs, which people in the South also rejected. The kind of side deals that Eddie mentioned would not fit into an overall picture of trust and confidence that must develop if the political institutions are to bed down properly.

There is a continuum that goes back to the Sunningdale Agreement, the Anglo-Irish Agreement, the framework document, the Belfast Agreement, and now we have the St Andrews Agreement. Everyone hopes that we are at the end of the journey and that the institutions will soon be in place and working successfully. We all hope that that will lead to economic regeneration and prosperity for all people in Northern Ireland.

The Co-Chairman (Rt Hon Paul Murphy MP): Everyone shares that view. It has been a good debate in which 14 Members have taken part.

Question put and agreed to.

Resolved:

That the Body welcomes the St Andrews Agreement of 13 October last and commends the two Governments and the political parties on their efforts to restore devolution for the people of Northern Ireland; welcomes the position as set out in the Agreement, that support for policing and the rule of law should be extended to every part of the community; and that such support includes endorsing the Police Service of Northern Ireland and the criminal justice system, encouraging the community to co-operate with the police in tackling crime; and actively supporting all the policing and criminal justice institutions, including the Policing Board; notes that the political parties have been asked to consider the agreement carefully before 10 November; reiterates the importance of this opportunity to establish a devolved power-sharing Government for the benefit of the whole community; encourages the parties to work towards accepting the Government's proposals by the proposed date to allow the Assembly to nominate the First and Deputy First Minister on 24 November to allow for restoration of the institutions on 27 March 2007; welcomes the commitment by the Governments in the agreement to work with the parties to establish a favourable economic climate for Northern Ireland, which is essential for long-term economic stability; welcomes the inclusion in the agreement of support for a future east-west interparliamentary framework as well as provision for a North/South parliamentary forum; and looks forward to welcoming Members of the devolved Assembly to its deliberations at a forthcoming plenary session.

The Co-Chairman (Rt Hon Paul Murphy MP): I advise Members that Committees A and C will now meet privately. Members who have not been appointed to those Committees are welcome to attend. The Body will meet again at 2.30 pm in this hall.

The sitting was suspended at 1.23 pm.

The sitting resumed at 2.33 pm.

THE ROLE OF CIVIL SOCIETY

The Co-Chairman (Rt Hon Paul Murphy MP): The Body will now resume in public session. I mention to Members that over lunch I received representations from Committee chairs that there are still a number of vacancies for alternate members of Committees. Will any Member who is interested in becoming an alternate member please let the clerks know? It is important that we have an idea of what Members feel about Committee membership and whether they could participate.

I hand over to Pat Carey. He will chair an interesting session on the role of civil society, during which we will hear from three distinguished speakers.

The Co-Chairman (Mr Pat Carey TD): Thank you. As Members will recall, the role of civil society was talked about quite a bit at the two most recent plenary sessions and the Steering Committee decided that we would try to draw together the insights of a number of people whom we felt had experience and expertise in the area. Our three speakers are: Patricia McKeown, from the Irish Congress of Trade Unions; Duncan Morrow, from the Community Relations Council; and Michael Wardlow, who is chief executive officer of the Northern Ireland Council for Integrated Education. We will then have a panel discussion, which will be similar to this morning's discussion. We need to conclude at about 3.45 pm, when we break for photographs.

I call first Patricia McKeown, who is the former chair of the Northern Ireland committee of ICTU and is currently all-Ireland vice president of ICTU. She is also regional secretary of Unison. *[Applause.]*

Ms Patricia McKeown: Thank you very much and good afternoon. I think that this is what people call "the graveyard shift". I will talk quite a bit about equality — I am well used to there being a furniture exhibition when I do that.

The title of this session is "the role of civil society". The trade union movement thinks that we should have a civil society that should be about shaping a future in which no one is left behind. For that reason, I will concentrate on giving an overview of the current socio-economic position of the people of Northern Ireland. You will have heard some of what I will say from my colleague Peter Bunting, who spoke this morning. It is clear to us that we will not build a new society and we will certainly not develop our economic position unless there is a clear understanding that socio-economic rights and economic progress are interlinked and interdependent.

Statistics are the last thing that people want to hear during the graveyard shift, but I will quote some, because they are horrific. I will start with the driest information of all: our sources, because there is not much point in giving you ICTU's view of civil society unless I can show you that the picture is evidence

based. We draw to a very great degree on Government sources, but there are other sources. I will deal briefly with health inequalities, education inequalities, poverty and multiple disadvantage, and discrimination and widening inequality.

The sources on which we draw include a range of Government reports, not least those produced by the Northern Ireland Statistics and Research Agency, but also powerful work produced by the Department of Health, Social Services and Public Safety, which published the key report, "Investing for Health". We also draw on the Institute of Public Health in Ireland's study of perceived inequalities, which was discussed just a few days ago at an important North/South conference in Carlingford; the work of the Education and Library Boards on literacy; the very serious statistics on educational achievement and underperformance; the 11-plus results, which to a great extent speak for themselves; the work of Northern Ireland's five Education and Library Boards in areas such as child nutrition; and the Noble indices, which identify our areas of greatest poverty and disadvantage.

As I said, we draw on the wealth of information that NISRA produces, but also on a wide range of research that has been produced by communities and voluntary sector bodies, including organisations such as Disability Action and the Northern Ireland Council for Ethnic Minorities — the list goes on, because the position of civil society in Northern Ireland is of paramount interest to people in the trade union movement and the people with whom we work in alliance.

In particular, I highlight to Members of the Body and urge them to read a recently published report entitled "Equality in Northern Ireland: the rhetoric and the reality", which was jointly launched by my union and the Committee on the Administration of Justice, which is our local human rights nongovernmental organisation. That report draws on published and unpublished Government sources and paints a disturbing picture, which I want to talk about.

The picture is not only a snapshot in time, but a picture of patterns. If society is about anything, it must be about changing the existing patterns on a range of levels. I am sure that Members heard Peter Bunting say this morning that we live in a society in which half a million people are economically inactive. We have some of the worst health inequality statistics not only in Europe, but in comparison with those of countries further afield, and educational disadvantages are growing. The sad truth is that we are the best and worst achievers at the same time. One quarter of our children leave school without having reached the proper literacy standards.

Over the past decade, the pattern has been to create jobs where, on the whole, they already exist. Patterns of multiple disadvantage are the same as they were 30-odd years ago, and they appear in the same places — west of the Bann and in North Belfast and West Belfast. This year is the thirty-eighth anniversary of the civil rights marches. Socio-economic disadvantage and inequality gave rise to the civil rights movement. The evidence shows that not much has changed for a significant section of the population.

There is evidence of improvement in our society for some, however. There is no doubt that the socioeconomic circumstances of people whom we may refer to as middle-class Catholics have improved, for example, particularly on the jobs front, but poverty and disadvantage are growing among working-class Catholics and Protestants.

I am sure that Members of the Body heard this morning about our growing migrant community. We have an indigenous black and ethnic minority community, but having a growing migrant community is new for us, and has resulted in heightened racism and discrimination, particularly in the workplace. There is a 37% gap between men and women's incomes here, which is outrageous. Members may have heard the argument that has been promulgated — the current Administration is keen on making it — that there is a lower cost of living for people in Northern Ireland, but that is true for only a specific sector of society with a specific floor of earnings. In fact, according to analysis by the Office for National Statistics, if mortgage interest payments, depreciation and council tax aggregation are excluded, it is 0.9% more expensive for the lower paid to live here—for most of the people in the health service whom I represent, for example. For low-paid people and people in poverty in Northern Ireland, prices are 0.9% above United Kingdom averages.

Back in 2003, Professor Paddy Hillyard and others produced a report entitled 'Bare Necessities: Poverty and Social Exclusion in Northern Ireland', which highlighted the fact that our society is one of the most unequal in the developed world; that inequality here is increasing; that people with disabilities here are nearly twice as likely to be in poverty than people without disabilities; that the youngest households in Northern Ireland are twice as likely to be in poverty as the oldest; that women are more

likely to be poor than men; and that the level of poverty is 1.4 times higher in Catholic households than in Protestant households. Probably the saddest statistic of all is that 37.4% of our children are being brought up in poverty. We believe that things can be done about that. Some of them can be done almost without spending money, but others will require resources to make life better.

2.45 pm

Economic development and socio-economic rights are inextricably linked and interdependent. It is hard to think about setting up or expanding businesses if a significant part of the working-age population cannot read and write properly and their health is not good, so from the pragmatic point of view of business interests, something needs to be done about that. However, I also have great concerns that corporate social responsibility issues are not on the agenda in our society in the way that we might expect.

We have some of the best equality tools around, and when we put them and our human rights tools at the heart of public decision-making — and do that with political will — new mindsets can address the inequalities. For example, there have been seven years of joint working by the West Belfast and Greater Shankill Task Forces, which produced some powerful recommendations on how life might change in north and west Belfast — as I said, those are areas of the greatest disadvantage. The two task forces — one mainly Catholic, one mainly Protestant — work together to address the issues. Sadly, the majority of the recommendations that they have made to date have been ignored. Flowing from that work is a job creation and upskilling project. My union is involved in that, together with three public sector health employers and the task forces from the communities in North and West Belfast. The concept is simple. Over a three-year period, we will create 100 jobs at entry level in the health service, which people from the most economically inactive communities will fill. Those citizens will be enabled to enter working life. At the same time, the current workforce in those entry-level jobs will be upskilled. That will do something not just to address the needs of our health service, but to address the problem of the low skills base that we have in Northern Ireland. The idea seems simple but it is imaginative; it links the power of the public sector with the labour movement and local communities to do something good. If that small example were replicated throughout Northern Ireland, we would go a significant way towards addressing not just the need for jobs but the skills deficit.

We believe that we can make powerful interventions by attaching proper equality and regeneration conditions to our large public procurement spend. We are going to build roads, schools and hospitals. First, we need to think about whether we are building them in the right places and for the right reasons. Secondly, the public sector will spend and the private sector will build—that is the way in which it works. Given that we are going to spend the money anyway, why not attach some straightforward conditions? In building roads, schools and hospitals, we can do something to regenerate our communities. We can create modern apprenticeships and take people from the ranks of the long-term unemployed and economically inactive, but we can also be imaginative in areas such as service delivery and we can be extremely clear about standards. The labour standards that are currently absent need to be introduced quickly.

Two groups in particular urgently require those standards. The first group is the significant number of people who work on — or, disgracefully, below — the minimum wage. We do not have the necessary resources to enforce the law of the land. The minimum wage has made a difference in some of the communities of greatest disadvantage.

The second group of people who, as I stand here, face exploitation in this city are migrant workers. Undoubtedly, the exploitation of migrant workers, especially in sectors such as construction and private nursing homes, does nothing to stop increased racial tension. If anything, it fans the flames. We also believe that an anti-poverty strategy should both exist — we do not have such a strategy yet — and be put on a statutory basis. Of the existing equality tools to which I referred, section 75 of the Northern Ireland Act 1998 is the most powerful, but political will is required to implement it. We have had many discussions on whether the legislation is effective, but I can say categorically and with a strong evidence base that, if the legislation is used properly and with political will, it is highly effective. For example, this year alone, the legislation resulted in more than 1,000 workers — mainly women — being lifted out of the minimum wage by being brought back into the Health Service, where they have delivered cleaner hospitals and better health catering.

We also need the genuine engagement of our citizens, especially those in deepest disadvantage, on issues such as the contents of a bill of rights. That work started very successfully after the Good Friday Agreement, but it has since halted and does not currently continue, save among those of us who are

involved directly in trying to restart the discussions. We need political will, from the top and from all our parties, to restart that exercise.

Policies that underscore and deepen discrimination in this society should be scrapped. Unfortunately, over recent months, several decisions have promoted discrimination and sectarianism. There will be little point in our having had 20-odd years of detailed work on creating a strong policy of targeting social need if we then turn that policy on its head by putting resources elsewhere.

The current framework is called 'A Shared Future: Policy and Strategic Framework for Good Relations in Northern Ireland'. Anyone who says that they do not subscribe to a shared future sounds like a monster. Of course the trade union movement subscribes to a shared future, but it does not subscribe to the current framework or its action plan. We believe that it is not based on equality and will not work. It will underscore some of the deepest disadvantage in this society. Our position is straightforward: the framework should go back to drawing board so that particular attention can be paid to those in the areas and groups of greatest need.

Another point is that, since 1998, thousands of submissions have been made, by ordinary citizens, organisations, umbrella groups such as the trade union movement, and community and voluntary sector groups, primarily in response to Government consultation documents. We genuinely believe that those submissions need to be revisited. Citizens are sick and tired of saying the same thing again and again without seeing any response come out the other end.

Finally, we believe that both Governments need to understand this compelling agenda and respond appropriately by providing support and assistance.

Thank you. *[Applause.]*

The Co-Chairman (Mr Pat Carey TD): Thank you, Patricia McKeown.

Our second speaker is Duncan Morrow, who is the chief executive of the Community Relations Council. *[Applause.]*

Duncan Morrow (Community Relations Council): It is nice to get one's applause in early.

At the heart of the Northern Ireland — indeed, the North of Ireland — conflict is a relationship of hostile antagonism, which, over decades and even centuries, has generated reasons for violence, discrimination and all the inequalities to which Patricia McKeown referred. One of the big changes is that we now have evidence that that relationship, which once dominated wider British-Irish relations, no longer pertains. As we approach — we hope — the end game of the violence-focused British-Irish relationship, this society is confronted with the price that we have paid for the successful strategies that have been adopted.

In many ways, the approach that was adopted to the Northern Ireland conflict was, if not the leading example in the world, certainly one of the most successful examples of conflict containment that has ever been adopted. In 1920, the conflict was a British-Irish issue. In 1970, it was a Northern Irish issue. Although Patricia McKeown did not say so directly, she inferred that, in 1970, many members of Northern Ireland's middle class went to the golf course and did not come back.

After 1975, 95% of the deaths and injuries in Northern Ireland took place in three identifiable groups. The first of those groups was the urban poor, in North and West Belfast in particular. The second group consisted of people who lived in rural areas where there was a long history of political dispute, mostly around the border or in mid-Ulster. The third group comprised the security forces, whose members were killed and injured as a result of the nature of the job that they were carrying out.

Part of the problem is that large parts of Northern Ireland society were able to live relatively comfortably while people who were caught in the middle of the conflict carried the problem away for them, in a sense. In many ways, the peace process that we are now engaged in is difficult to sell to all the rest of the people in Northern Ireland who did not engage in the conflict. We are not talking about an interface problem that can be resolved just by people in the poorest and most affected districts; uncomfortable and difficult political change will be required throughout this society. In many ways, a peace that is paid for by a few is an easier sell than is a peace that results in discomfort for all of us. We have had to deal with that issue in the recent negotiations.

There is no doubt that, in the course of containing the problem, people in many places have put in huge amounts of effort. As Patricia McKeown pointed out, it has often been the least favoured and most economically marginalised people who have done such work. There is a great deal of evidence that people have worked night and day in what we call our interface zones to sort out small problems before they escalate into huge ones. Mediation — whether locally driven or driven by institutions such as trade unions or dedicated organisations — has gone on throughout our society. People have ensured that, even in the darkest days, conversation went on. The conflict was unusual in that all sorts of spaces were held open for such activity to take place by trade unions and churches and in youth work.

In my view, it is not true that a huge community relations industry has developed — people have been too quick to say that that is the case. Last year, the Community Relations Council spent £2.6 million of the Government's money in a country that has a population of 1.7 million people, which works out at roughly £1.50 per head. The Whiterock riots cost the police £3 million in one week and in 2003-04, the Housing Executive spent £45 million moving intimidated people from their homes to safety. That is the scale of the expenditure — the cost of dealing with violence in this society is inordinate.

I want to draw Body Members' attention to some of the economic distortions that arise as a result of having to deal with violence, some of which are not difficult to predict. I have already mentioned the costs of security, which are limitless. Sometimes public services require to be duplicated. That might be visible or it might be hidden. For example, the provision of a swimming pool in one community might have to be duplicated in another, or there might be a community in which there is an absence of a pool. Sometimes people cannot access their public services.

3.00pm

There are libraries that people can go to at some times, when it is peaceful, but which they cannot access when that is not the case. Simple things, such as the requirement to ensure that basic provision is made for everyone, require that additional burdens be placed on staff and on people who are in the absolute front line of social services.

None of that counts. The connection between poverty and violence that has emerged in our society connects with the global insight that poverty and the lack of a stake create violence. Once violence embeds itself as the predominant image and brand of communities, those communities find it incredibly difficult to attract and to keep skilled labour, to attract investment and to attract anything other than the horrified attention of the media. The sinks of this society are often tied directly to the relationship between poverty and violence.

I turn to the labour market. It is clear from all the surveys that have been done that people would prefer to work anywhere outside of Northern Ireland than in different parts of it. To travel from west to east in Belfast is, or has been, a personal risk; equally, travelling from east to west is seen as a personal risk. Facilities such as hospitals, which need to be open to everyone, come at risk of people being unable to access them. On top of that, our tourism market is clearly subordinate to those of all of our neighbours. We also have a problem with public services, which is best embodied in segregated housing. To meet people's safety demands, we have in some areas to take down houses that are empty and to build more in areas where there is insufficient supply.

Civic society in this community has held together a series of very complex issues, none of which can be resolved fully unless there is an end to the antagonism that underpins the politics of the community. Civic society engagement takes place at many levels. Because there has been one issue in public politics in Northern Ireland — to be or not to be — every other issue has had to be dealt with by actors who have specific and targeted agendas. Often, that task has in local communities fallen to people who have a particular commitment. In many ways, civic society in Northern Ireland has had an extraordinary and unusual place, from which we will now, in a sense, have to recover, because we have carried more than should have been carried by non-political space. Many issues, such as housing, education and poverty, have been addressed not in the political realm but through engagement of citizens and communities.

One of the most-welcome developments in recent years has been the emergence of partnerships as something normal. When I do my work now, I am struck by how normal it has become for people to engage, through the workplace, on issues that are of common interest. At the levels of the professional, the semi-professional and the community, we probably have a better-integrated, better-connected society, with more bridging capital than we have ever had.

However, the difficulty remains that outside the spaces that are controlled by law or by the incentive of cash or common projects, there has been deep ambivalence. The big challenge is for us to determine the basis on which to move forward. There is a new strategy, to which Patricia McKeown alluded. In Northern Ireland, the great phrase is now “a shared future”. When I was going around trying to encourage what turned out to be 10,000 people to get involved in the consultation that emerged, I used to say that there was no question mark. Part of the reason for that is that we dare not contemplate the question. Of course, there is a deep question about what we mean by “a shared future”.

Reconciliation will not be achieved simply by a single political deal or by any particular structure of Government — it will require a policy agenda that takes seriously the requirement to embed the notion of equal and shared citizenship in whatever jurisdiction, which delivers the goods of citizenship and allows the participation of citizenship, which gives people the sense that somehow or other they belong to and can shape this society.

Although we can dispute the details of what our shared future contains, it strikes me that it is absolutely essential that social cohesion and the need to ensure the building of bridging capital are not avoided as they have in the past, and that they are not seen as being separate from socio-economic issues but are integrated deep in what we do as we move forward.

We see social cohesion becoming more and more of an issue throughout western Europe. We know that it will take at least three dimensions to put it in place. The first is clear political direction. There is no doubt that it is not simply the structures but the direction of politics that will sustain a credible belief in a shared future. Secondly, we need a legal framework that protects and promotes the welfare of all. That means that we need laws that underpin equality and human rights. Thirdly, we need sustained peaceful interactions at all levels of society. In the absence of such ordered and organised interaction, talk of social cohesion is at risk from the common sense of reality. Social cohesion will not be established by political or legal fiat alone; rather, it requires consent for living, working and playing together to be given by key community leaders and backed by practical examples. It also requires evidence of serious intent to negotiate cultural tensions as they emerge.

I suppose that the first of those dimensions — political leadership — is the great hope of devolution. The great fear of devolution is that political parties in Northern Ireland see their political future as delivering to only one part of the community. Therefore equality, instead of being an evidence-based pursuit, becomes a question of, “one for you and one for me.” The real test of equality will be, “six for you and only one for me.” The real test, as we go forward, will be how we will negotiate real socioeconomic changes in the context of shared governance and Government. For that reason, it is extremely important that the core principles of the agreement — or perhaps agreements—are held above the structural imperatives.

For policy sharing in Northern Ireland to be successful, the North/South and east-west dimensions of the agreement are critical. In particular, the practical and sustained commitment of both Governments and their international partners to real partnership, consent, equality, human rights and the rule of law form the essential baseline against which progress towards democracy here must be measured. Insistence on those dimensions from across these islands and beyond will remain crucial, following devolution. In summary, a shared future must become the aspiration for everyone. At present, it somehow sits as an optional extra. In the peace programme that the European Union promoted, there are clear strands of belief that prosperity and social inclusion alone will deal with the problems of Northern Ireland. It is my contention that, unless prosperity and social cohesion are dealt with in a way that engages people in collective enterprise, shared responsibility and common partnership, we may be here longer than we wish. For that reason, it is crucial that the comprehensive spending review support inter-community bridge building.

Reconciliation cannot be devolved simply to non-governmental organisations and civic society. For too long, reconciliation has been something that only people in the most difficult areas have dealt with. Now, our task is to engage wider society in some of the choices that will determine what kind of future we give our children.

The Co-Chairman (Mr Pat Carey TD): Thank you, Duncan. Our third and final speaker is Michael Wardlow, who is the chief executive officer of the Northern Ireland Council for Integrated Education.

Mr Michael Wardlow: Members are allowed to applaud. Everybody else got a round of applause.

[Applause.] Thank you.

Margaret Mead, the social anthropologist, said that we should never doubt that a small group of committed people could change the world because, indeed, such groups are the only things that have ever changed it. Integrated education exists today — despite what other people have tried to do — because of the dreams and the actions of people who make up civic society: the parents. I want to invite you into the world of some of the great creators of the education system. They are people who were not willing to consume what existed already, but who instead imagined that there could be something else. They acted as well as dreamed.

Members are here today at a time of huge educational change. In my short life, there has been huge change, but today we face a demographic downturn and will have 80,000 spare places in 10 years. That effect will apply across all social strata in Northern Ireland. We are looking at a time when the post-primary review envisages a totally different education system in which collaboration and a shared curriculum will be the norm. We are looking at a system in which Sir George Bain has been asked to report on how we are going to spend our billions of pounds on promoting a shared future in an education system that is fit for purpose in the 21st century. We are looking at a review of public administration that envisages a totally different landscape — one in which the education and library boards will cease to exist, the Council for Catholic Maintained Schools will lose its statutory function and in which planning will, I hope, be centralised. We are looking at 2005, when the net gain to the population of Northern Ireland was 14,000, of which 7,000 people were migrants. This year alone, 60,000 migrants have come. The sign of a mature society is one that imports people instead of exporting them.

How on earth are we building an educational system that is fit for purpose if, at the heart of it, there lies division and separation? In its education policy, the Department of Education said that it will provide for the development of education that will promote a culture of tolerance, reconciliation and respect for the diversity of cultures. The department also said in the triennial action plan that it would develop sustained opportunities for shared and intercultural education at all levels and that it would continue to ensure that that is brought about through Government policy.

What on earth is a civil society? What would it look like? I suggest that the description in 'A Shared Future' comes close. Our aim is for:

"a normal civic society where individuals are considered equals, diversity is respected, violence is an illegitimate means to resolve differences, but where differences are resolved through dialogue in the public sphere."

This is not rocket science — it is the norm in many democratic societies. Northern Ireland has been abnormal in that, for the past 40 years, such an approach has been absent.

I do not believe that there is such a thing as a safe space, but I respectfully suggest that there are safer spaces and that some of the safer places are integrated schools. Many of our young people now learn to engage with difference because they are learning how to mix. My brother was 18 before he knowingly and wittingly met a Catholic. He is only seven years away from me in age and I am 52 — please strike that from the record.

3.15 pm

In case you think that that is bizarre and different, I suggest that the Northern Ireland of today still has separation at its core. If we are to deal with reconciliation, we need to get a handle on the fact that it is not a destination but a journey. John Paul Lederach said that, on the journey of reconciliation, people are changed by public and private encounter. We all know that if we sit together and have social contact, people change — they give and receive.

However, certain conditions must exist for social contact to work. There must be safe spaces and the people who would encourage contact, dialogue and discussion about reconciliation must be trained in how to do that. Most important, people must be encouraged to meet in the safe spaces to share their differences.

That is not about trying to make a blancmange with no backbone in the middle — it is about trying to create a society that learns to live with the concept of multiple identities. Why should the religious affiliation into which we are born dictate our identity for life? I am a father, a son, a husband and the chief executive of an organisation and I happen to be Protestant. I have an Irish passport and a British passport. I am confused. If someone says, "Michael, what's your identity?", my answer depends on the context in which the question is asked because I recognise that I have more than one identity. I have

multiple identities; my identity is not fixed—it changes. I suggest that, when young people encounter one another in safe spaces where they are encouraged to explore their differences, they might find that their identities, which they thought were fixed, are things that they can accept or can challenge, or they might find that they can take on others and grow in the telling.

Social separation is alive and well. A recent attitudes survey suggested that two out of three 16 to 25-year-olds had never had a meaningful conversation with someone of the other tradition. Three in five had experienced verbal or physical abuse and one in three said that community relations had worsened in the past 10 years. On housing, when peace broke out in 1994, Belfast was 90% divided for 63% of its populace: 10 years later, the figure was 66%.

Separation exists in schools. We have 1,300 schools in Northern Ireland. People suggest that civic society normalises things and that, since 1921, lots of mixed schools have developed organically, but that does not stand up to the hard evidence. More than 700 of our 1,300 schools have not one person of the other tradition in them. If we take the 1,300 schools and remove the 61 integrated schools, only 37 other schools have a significant mix. Organic integration is meaningful in the schools where it exists, but it cannot simply be left to find its level. Something else needs to happen.

There is huge public demand for putting kids together in the same school. Two thirds of social attitudes surveys since the 1960s — including, incidentally, before the troubles — have shown that parents want mixed education. A recent survey by Millward Brown showed that 82% of people think that integrated education is significant or important to building peace and reconciliation. Some 52% said that they did not send their young people to an integrated school because there was not one in their locality. In the past year, we turned away 800 children despite a demographic downturn of 50,000 spare places. In the past seven years, we have turned away 6,000 young people. Those are big statistics. If those young people joined hands they would make a queue five miles long. Every statistic has a human face. Those 6,000 young people were denied a choice and instead ended up in separate schools.

Parents have driven the integration movement since the 1960s and they continue to drive it. There is no strategy for integrated education. I posit that parents, as members of civic society, are working for a notion of common good, which is difficult to find in Northern Ireland. They are doing something to promote shared society.

So, what do integrated schools do? Organisationally, we have management structures, enrolments and numbers of teachers and ancillary staff that reflect the community balance. We strive for a mix that is 40% Catholic, 40% Protestant and 20% others. Members may be interested to note that, philosophically, we offer Christian, rather than secular, non-denominational education. The 20% of the school intake that is neither Protestant nor Catholic fills up very quickly. In 2001, about 13% of our population was designated as “other”. Those people do not want to be bound by the fixed identities of the Protestant or Catholic.

In terms of outcomes, we try to promote a child-centred education that engages with difference. We do not bury differences. Integrated schools are not whitewashed walls within which celebrations of emblems and differences are absent. There is a journey in trying to understand where the “other” comes from. Ignorance of the other leads to demonisation and prejudice, which can lead to sectarianism.

Does it work? I have not time today to bore Members with the evidence, but we are no longer an experiment. A recent survey concluded that:

“integrated schools can and do have an impact on the outlooks of the pupils who attend them ... the positive effects ... extend into later life. As the numbers experiencing integrated schooling grows, these individuals have the potential to create a new common ground in Northern Ireland”.

In a shared future, we need to begin a journey where sharing, rather than separation, becomes the norm. In *Brown v Board of Education* more than 50 years ago, the High Court judged that “separate but equal” had no place in education. That has been transposed into Government policy in ‘A Shared Future’, which state:

“Separate but equal is not an option.”

The document also states that the policy must be led from the top. It states:

“sustained and deeper progress ... will require leadership at political, civic and community level”

and it goes on to say that:

"Government ... should set the pace ... and should lead by example.

The policy in 'A Shared Future' is not about a benign co-existence in which we simply learn how to put up with one another: it is about real sharing. We do not have to agree, but at least we have the possibility that we can resolve our differences in a safe space.

The policy document also points out that division is costly — the Alliance Party is on record as stating that the cost of sustaining a divided economy is roughly £1 billion — and it states:

"Adapting public policy ... to cope with community division holds out no prospect of ... sustainability in the long run."

We hope that the Bain review will provide a context in which education for our normal civic society might take root. As an organisation, we are trying to encourage people to focus not on the form but on the function. We need to focus not on the structure but on the process. We are trying to achieve some form of sharing at all levels of education so that parents do not have to fight continually and incessantly to demand what, in any other country, would be the right to have their children educated together.

In an increasingly multicultural society, where will we put the people who do not tick the box? Do Portuguese become "Catholic" by default? Do Lithuanians become "Reformed" by default? We need to engage with that and get away from the label culture.

What are the options? As Members may have seen if they were given the newspaper when they woke up, today's edition of 'The Irish News' opens with a piece on how the Catholic sector is being required to rationalise its school provision. We have five equivalents of local authorities, all of which are internally rationalising their schools estates. Our point is simply that, in a normal civic society it is, to say the least, bizarre to develop six different organisations that all do their own thing without any regional overview. In the middle of all that, we are saying not that every child should be sent to an integrated school but that, in a normal civic society, parents should have the option to choose to have their children educated together. That should be the norm rather than something that parents must continually try to create. In its triennial action plan in 'A Shared Future', the Department of Education states:

"in decision making on new schools or reorganisation/rationalisation of schools, proposals will be required to demonstrate ... collaboration ... on a cross-community basis"

and cross-sectoral collaboration.

We are at a crossroads in our education system. Young people are not simply the future; they are also the present. When I started youth and community work 30 years ago, we were losing 30,000 young people from Northern Ireland every year because they saw no future here. Today, we are importing people. We need a fit-for-purpose education system that turns out not just academic results but wellrounded whole young people who can be leading citizens in a new global Northern Ireland which, I believe, must look beyond itself. We need to stop the Belfast/Beirut axis and say that we have something to give rather than receive. I believe that our schools, not just our integrated schools, are demonstrating that, but the problem is that there is not enough sharing.

How bizarre is it to try to build a Northern Ireland in which a mixed marriage involves one white male Christian and one white female Christian? Only 10% of weddings are mixed, and they are still seen to be different. Difference should be embraced, not feared. Would not it be boring if we all looked the same and thought the same? Our democratic process is built on the fact that we do not agree about things; however, we can, in a sense, disagree in peace.

Kofi Annan has said:

"None of us is born intolerant of those who differ from us. Intolerance is taught and can be untaught—though often with great difficulty. But in this area, as in others, prevention is far preferable to cure ... We must build on the open-mindedness of young people".

I respectfully suggest that as we stand at the crossroads looking ahead, we should consider new models of sharing. People in Great Britain and the Republic of Ireland are considering joint models. There are 20 joint church schools in Great Britain, but here there are none. There are jointly managed models

elsewhere, but not here. A huge range of models exists, from joint sixth form to all-age school models. We are simply saying that division cannot continue to be the default. We must move away from separation towards sharing. That is the basis on which we will build a mature society.

The Co-Chairman (Mr Pat Carey TD): I thank Michael Wardlow very much.

We have heard three powerful presentations. The three speakers have agreed to take questions. One person is indicating that they want to speak; however, people should not get terribly enthusiastic, as I am going to be much stricter this time. *[Interruption.]* I am not sure what is causing the sound interference — I will turn off my phone.

We must have a break reasonably soon for a photograph to be taken. I will allow around 10 minutes for questions.

Mr Andrew Mackinlay MP: I appreciate all three speeches that have been made. They have been valuable. I think that we would all agree with everything that has been said. However, I have a comment to make and a question to ask, if I may.

Problems that are reflected in health deprivation indices and problems in estates are not peculiar to Northern Ireland — indeed, Northern Ireland has some of the best housing stock, although it is divided between communities. It is important to remember that there are comparable poverty and deprivation indices for Dublin and London.

Michael Wardlow alluded to the issue that I want to ask about. There has been a massive and welcome influx of people from central Europe, particularly into Belfast. Our host at tonight's dinner, the Lord Mayor of Belfast, recently told me that the Poles in particular — who are Catholics — with the Slovaks and Lithuanians constitute the biggest minority in Belfast. It is reasonable to assume that perhaps half those bright young men and women might return to central Europe but that half will fall in love here and marry Catholics and Protestants. At some stage, they will become involved in the body politic. That involvement will have ramifications, which I hope will be good. There will be an extra constituency for the first time. There are two constituencies at the moment, with the Social Democratic and Labour Party seeking support in the same constituency as Sinn Féin, and the Democratic Unionist Party and the Ulster Unionists seeking the same support as each other. I see Eddie McGrady disagreeing, but I would like to find out whether he could amplify what I am saying. People whose votes will be up for grabs in future years at municipal elections and almost immediately in European elections have the potential to influence things.

3.30 pm

Senator Paschal Mooney: I could not help reflecting on what Michael Wardlow said about the confusion that has been caused by his holding two passports. Those of who follow events on this island and between the islands will know about identity issues. I thought about asking him how he felt when he heard that Northern Ireland's football team had jumped four places above the Republic of Ireland's team in the rankings. By the way, we are delighted with that team's performance and wish it well, despite what might be said.

I know that I will not get an opportunity to put a question to the Secretary of State, so I will adopt a variation on that approach that comes within the ambit of what all three speakers talked about. It relates to a report on equality in Northern Ireland that was prepared by the Committee on Administration of Justice. All of us support the initiatives that are under way, especially in civic society. The speakers were absolutely right on the issue of partnership. Coming from a border county, I see evidence of that on a daily and weekly basis—it is a wonderful development.

However, what we heard created a bit of a comfort zone for me and, I am sure, for others because it created the impression that there was broad movement in all areas of life in Northern Ireland. Although none of us likes to go down this road, Northern Ireland was created on the basis of a sectarian head count. In light of that, I confess that I was taken aback by the statistics in the report to which I have referred, which showed that there was still very evident job discrimination against Catholics in most parts of the public and private sectors in Northern Ireland. Tesco is one famous example of a company that has a huge volume of Protestant workers, as compared with workers from a Catholic background. I hate sectarian head counts, but there must be something wrong when such a report can appear. First, do you accept the findings? Secondly, do you think that it is helpful in the present climate to highlight such aspects of Northern Ireland society when so many of you are doing such good work?

Ms Helen Eadie MSP: I listened carefully to what all the speakers said about the social inclusion agenda, especially the issue of equal opportunities and disabled people. I am very encouraged by developments at European Union level. Patricia McKeown said specifically that she had a range of tools in her toolbox that can be used. Does she see a future for the greater use of article 19 of the public procurement directive, which specifically encourages politicians and Governments to take positive steps to incorporate employment of disabled people into their public procurement contracts? There is not enough of that, including in my country, Scotland. We need to do more and to press for more in that area. I wonder whether collectively we can help to bring that about in Northern Ireland and other parts of the United Kingdom. That would be very good.

Mr John Robertson MP: I was very interested in Patricia McKeown's speech, in particular, and have a couple of questions for her about long-term unemployment in Northern Ireland. In the rest of the UK, we have seen people disappear from the unemployment list on to incapacity benefits. We are trying to get them back into work. How does Patricia McKeown see that issue? I am not sure whether the pathway to work service operates in Northern Ireland. Is the aging of the population causing a problem? We have skilling problems in Glasgow, in particular. We have plenty of work and plenty of jobs, but there are not the skills to meet those needs.

We in Glasgow have always had a sectarian problem with a small "s" — it is certainly not as bad as it used to be. In education, there is a difference between what we call non-denominational schools and Catholic schools. That causes problems, especially when children grow up and one goes to one school and one goes to another. We are looking at that issue. In America, children used to be bussed to schools because of their colour, which eventually had a knock-on effect. Do you think that we will have to force parents to make their children go to non-denominational schools, or should we continue to allow them to have a choice and, in effect, not solve the problem?

Mr Jeff Ennis MP: Obviously, I agree with the logic of Michael Wardlow's desire to extend integrated education in Northern Ireland, which appears to be a commonsense approach, but I want to raise a supplementary issue. Over the past five or six years, education for citizenship has become a core curriculum subject. How important has that development been in promoting social cohesion throughout Northern Ireland?

The Co-Chairman (Mr Pat Carey TD): I ask the panellists to respond as concisely as possible, given the time constraints that we are under.

Ms Patricia McKeown: I will be very quick. I agree that there are health inequality problems throughout the United Kingdom and in the Republic of Ireland, but some of our statistics are unique. Although we have the highest coronary care and cancer rates, we do not have the resources to deal with them. A horrible statistic — which I hope does not apply in England, Scotland or Wales — is the suicide rate among our young people that was uncovered by a recent investigation. It demonstrated that the problem is worst in North and West Belfast, where there are significant clusters. The fact that the Department of Health distributes small amounts of money to all health areas to deal with the issue means that the high suicide rates in North and West Belfast remain substantially unaddressed. I will mention the document "Equality in Northern Ireland: the rhetoric and the reality", because it underscores what we have been saying for many years, which is that the problem has not been solved.

Unfortunately, inequality is alive and well in this society and must be addressed. As a woman, I always argue that you do not redefine the people who face discrimination simply because you are doing OK. The people who still face discrimination in this society are the same people who faced it 38 years ago. Unfortunately, working-class Protestants in much the same areas in which a large number of disadvantaged working-class Catholics live are now experiencing growing disadvantage. If the resources are not targeted to where they should go, both those parts of our community will remain disadvantaged.

'Equality in Northern Ireland: the rhetoric and the reality' is a horror story of a report, but it had to be published. Most of the information in it was in the public domain — it is all Government information — but, unfortunately, some of it, especially the information on housing, had to be secured through the Freedom of Information Act 2000. That is not acceptable.

On long-term unemployment and the economically inactive, all the same things have happened to massage the figures. Our unemployment statistic is very healthy, but if you go to north and west Belfast or somewhere such as Strabane, that is not the reality. We know from the Government's figures that at least 40,000 economically inactive people would work if they had the opportunity to do so and the

necessary skills and access.

In that regard, not enough has been done on workplace and lifelong learning, which I am passionate about. For example, in Northern Ireland, we have an extremely small union-learning fund. I do not think that the fund for Wales is any bigger, but those for England and Scotland certainly are. There is a union-learning fund that is worth roughly £0.25 million annually. It is to be spent on developing workplace learning, but it requires a partner. I have no difficulty with a public service union spending that money on workplace and lifelong learning with public sector partners; indeed, I think that it is a disgrace that the Union of Construction, Allied Trades and Technicians cannot spend its money. It is vital that money should be spent on upskilling the workforce base, but that is not happening. There are big problems in this society.

The European Union directive on procurement is near and dear to my heart. Since 1998, it has been the law of the land in Northern Ireland that we can attach to our public procurement process requirements in nine categories, including disability. That is perfectly legal. Tomorrow afternoon, there will be another meeting of a working group that I have been involved in with Government for the past two years. It might make a decision — it was supposed to make a decision and put it to the minister in March, but that has not happened yet.

What better than to have some smart requirements attached to public spend that make life better for people? In union-employer partnerships North and South, we are experimenting with the employability of people with disabilities in the health service. That was one of the few areas of work available to bluecard holders — a designation that no longer exists — in the past. In the new world in which we live, people with disabilities are virtually non-existent in those jobs. If an equal opportunities policy was genuinely being followed, how the hell did that happen?

The Co-Chairman (Mr Pat Carey TD): The Secretary of State is about to arrive.

Ms Patricia McKeown: Well, he needs to hear this.

Mr Duncan Morrow: In that case, I shall answer two questions. The first is on the CAJ report. A tragedy in the definition of good community relations is that most people think that it is a harmony agenda and that the easiest way to harmony in this country is not to talk about anything that matters. We have to define good community relations as the capacity to have hard conversations in a democratic framework. In the public domain, the development of good relations means more conflict. If we are moving to a shared future, there is no way to deal with the difficult issues of Northern Ireland's past and present without taking on board hard questions. Paradoxically, the definition of progress is not surface harmony; it is that it is possible to talk about more and more within the public domain. In that regard, this society has made huge progress, but we cannot deal with policing, the paramilitaries and inequality without bringing those issues to the table. That is critical.

That is one of the big problems with a political system in which political parties defend part of the electorate rather than evidence bases. It means that their entire interest is to deliver to their electorate. How do we create a proper framework in which evidence is the basis on which we distribute this kind of stuff? That is important as we move forward. In fact, the long-run biggest threat to our co-operation is our capacity to manage those issues. Perhaps the line to use here is that the road to equality is not an equal one; paradoxically, it is always an unequal one. We have to be able to take those complicated decisions — they will be critical as we go forward. In general terms, however, it is important that the report is real. If there is an evidence problem, that is one thing, but if there is just a political objection to it, that is quite another.

Secondly, the rise of migrant labour is important here in the sense that we have become a place that has greater wealth and that attracts people. The specific Northern Irish dimension that has made the issue of migrant labour particularly difficult is that we have a territorial culture, in which it is believed that only certain people live in certain areas. That has meant that it has sometimes been extremely complicated for people arriving here. They face real violence in places in which they have found homes. In addition, a culture of toleration of violence for the eviction and expulsion of people has meant that the process has been difficult.

The people who are arriving here will play a significant role. They are already doing so in the school closure debate and in all sorts of issues to do with equality and what it means. It is a matter of fact that they are part of globalisation. As I understand it, since 2004, according to official figures, 11,000 people a month have been arriving in the Irish Republic, which means that there are now more people living on

the island of Ireland who were born in eastern Europe than are currently living in the city of Belfast. That is the scale and the shape of the change that we are undergoing. In a sense, we are trying to catch up with that change.

Mr Michael Wardlow: I have two simple and quick answers. First, the citizenship issue is still fairly new. The research seems to say that it is making an impact. Education for mutual understanding and cultural heritage has also been part of our core curriculum. However, there is an issue about whether it is a curricular response. Is it something that you teach or something that is caught? We would argue that it is both. It is a good initiative, but it is the Cinderella of the curriculum. What is happening in the Republic is that if someone needs to drop a subject, citizenship is dropped off the edge. We may think that we can simply teach citizenship and that it does not have to be lived out in the classroom, but how do you try out what you have been learning if you do not meet the other parties involved? How do you practise conflict resolution if you cannot do that?

3.45 pm

Secondly, on bussing, one of the states in America was given 30 days to desegregate and it did it, yet the education in the southern states of North America is now probably more segregated than previously. In the end, in most states it was the black kids who were bussed around. We do not advocate desegregation; we advocate choice. If we opened up the choice, the issue that you raise about bussing children around would disappear. There is evidence that, in a community that is experiencing flight — that is Protestants or Catholics moving from the community — if there is an integrated school, people will start to reintegrate. I suggest that what is absent is the choice.

The Co-Chairman (Mr Pat Carey TD): Thank you, Michael. I thank our three speakers, Patricia McKeown, Duncan Morrow and Michael Wardlow, for their excellent presentations and for answering members' questions. *[Applause.]*

The Co-Chairman (Rt Hon Paul Murphy MP): I echo that and thank our three speakers, who are old friends, very much indeed for their presentations. I also refer to Eileen Bell, another old friend, who is up there in the gallery. She is the Speaker of the Northern Ireland Assembly. *[Applause.]* We are now going to get our photograph taken.

The sitting was suspended at 3.46pm.

On resuming —

4.07 pm.

ADDRESS BY THE SECRETARY OF STATE FOR NORTHERN IRELAND AND WALES

The Co-Chairman (Rt Hon Paul Murphy MP): Welcome back. I am delighted to welcome to our meeting the Member of Parliament for Neath — which, they tell me, has a rugby team — the Secretary of State for Northern Ireland and Wales, Peter Hain. First, we commend you, Peter, your Irish colleagues in government and the political parties here in Northern Ireland for the progress that has been made during the past few weeks, in particular. Everybody here is completely behind you in the prospect for the weeks ahead and the success of the negotiations. We very much look forward to hearing from you, after which we have one or two questions that we should like to ask. Thank you very much for coming along.

The Secretary of State for Northern Ireland and Wales (Rt Hon Peter Hain MP): Paul, thank you very much. On my way in, Baroness Blood said to me, "So, what are you going to do? Bluff us with your usual rhetoric?". Perish the thought, although I do want to start with a bit of rhetoric in commending Munster and Leinster for their cracking wins over the weekend against the top English sides, Leicester and Gloucester — my parliamentary colleagues from Westminster will not remind the Leicester and Gloucester MPs that I said that — and Ulster on hammering Toulouse. So it has been a great weekend for Welsh rugby.

I am delighted to be back here again. Paul, you were kind enough to commend us on the progress that we made at St Andrews. As I told the House of Commons last Monday, I think that a lot of the groundwork for the progress, the enormous breakthrough that we got at St Andrews 10 days ago, was down to the work that you did as Minister of State supporting Mo Mowlam in getting the Good Friday Agreement in place and, subsequently, as my predecessor as Secretary of State. I was able to pick up

the groundwork — all the hard work — that you had done. We are very grateful for that.

We have of course seen fantastic changes in Northern Ireland since we last met and I was able to address you in Edinburgh. We have now had six Independent Monitoring Commission reports since the IRA issued its statement and made its promise on 28 July last year to end its war, to decommission its weapons and to commit itself to democratic and peaceful means — an historic statement on which it has since delivered. Those six IMC reports have all shown a continuing trend, illustrated vividly in the most recent — the sixth since 28 July — on 4 October. The interesting term used by the IMC, who are independent observers, not a Secretary of State or politician with a vested interest but independent observers — of, as Paul will confirm, unimpeachable integrity — was that the IRA had disbanded its engineering capacity, its ability to wage the military action that has so terrorised the whole island of Ireland over the decades.

That was an extremely significant statement. The IMC also said — this was also very significant — that the leadership had sought and taken specific steps to drive criminality out of the organisation and, where isolated instances of criminality were still taking place, that was, according to the IMC, against the express wishes, decisions and attempts of the leadership to stop it and was for individual lifestyle reasons for personal greed or gain. That is a massive transition from where we were even a year ago, let alone five, 10, 20 or 30 years ago, amid all the misery of the terror and violence.

A number of other very significant events have happened during the past year. For the first time, if not ever, then for a very long time, the marching season was entirely peaceful. Where at Whiterock last September, 150 live rounds were fired by loyalist paramilitaries at the police and the Army, this time it went off with not a soldier anywhere to be seen. On 12 July, for the very first time in nearly 40 years, there was not a soldier on the streets to support the police, even in a backup role to help during the marching season, with its various parades across Northern Ireland, which went through entirely peacefully.

That enormous achievement was a result of the new strategy of engagement by the Parades Commission, not just performing its traditional judicial role but mediating and getting involved in dialogue. As a result, groups and individuals have been talking to each other who had never done so — the Loyal Orders engaging with the SDLP for the very first time, nationalist and unionist groups talking to each other in communities, loyalist and republican groups talking to each other and achieving an outcome satisfactory to both. That is an enormous achievement.

Then, just a few weeks ago, on the Monday before the St Andrews Agreement, there was an historic event that people should pause to recognise the significance of, given the background, when Ian Paisley met Archbishop Sean Brady, the Catholic Primate of Ireland, for the very first time. That meeting was extremely amicable and constructive. So we came to St Andrews in a good frame of mind, knowing that North/South co-operation was closer than it had ever been and that there was now not a cigarette paper — if that is the right phrase to use when a smoking ban has been introduced in the Republic of Ireland and is about to be introduced in Northern Ireland — to be put between the Government in Dublin and our Government in London, represented here in Belfast; there is no difference at all — not a dot or comma — between them.

We are working more closely together than we have ever done. We have not only the same vision politically but the same vision for Northern Ireland on policing, on respect for the rule of law and insisting that it must be abided by, we have a common agenda to develop a single electricity market, now legislated for, and for co-operation on renewable energy across the border, making use of the vast potential off our shores and onshore of wind and biomass for the island of Ireland to become a world leader in green, clean energy. There is that agenda, but there is a whole series of other agendas, including eliminating roaming charges on mobile phones. Through pressure on the operators, we have brought to the charges for cross-border use right down, but we want to see roaming charges eliminated completely.

Tomorrow, we will meet to receive a report in the British-Irish Inter-Governmental Conference on an all-Ireland economic strategy where we maximise the potential that we have and deal with problems on a common basis in, for example, the north-west of Northern Ireland and in Donegal, taking forward a common agenda to make the island of Ireland a truly world-class economy and, in the process, for Northern Ireland to catch up with the Republic in its enormous growth and economic success, which has turned the Republic of Ireland into one of the biggest global success stories of the past decade or so.

4.15 pm

For all those reasons, there has never been a more favourable climate in which to do the deal and allow the politicians to catch up with the people — with those involved with the marching season, the business community and the voluntary sector — who want a durable, permanent political settlement. They want locally accountable politicians doing their jobs, which they have not done for four years now but during which time they have been paid — an extraordinary situation — getting them in power to take the decisions that at present I take with my ministerial team and that Paul and our predecessors took before us. There has never been a more favourable climate for that to happen: to get a permanent political settlement locked in.

One reason why St Andrews surpassed our expectations, to be frank, and delivered an outcome that no one anticipated—the media, especially, were very sceptical and not many politicians were optimistic — was that we had set a very clear and immovable deadline. That still exists, by the way, and if, for some reason, it were all to fall over between now and midnight on 24 November, the Assembly would be dissolved the following week by parliamentary order and Stormont would be shut down and wrapped up. It is still possible for that to happen, but I do not think it will. I am pretty optimistic that we can make the necessary progress.

I remind you of the essence of the St Andrews Agreement. There were two pillars to it: on the one hand, respect for policing and the rule of law and every party signing up to that; on the other hand, a commitment to sharing power. The two stand or fall together. That was the basis of it all. I pay tribute to the Taoiseach and the Prime Minister. In both Bertie Ahern and Tony Blair—this is not sycophancy but simply a statement of fact — we have had a Prime Minister and a Taoiseach none of whose predecessors have ever given the detailed energy and attention that we saw displayed at St Andrews, with all their patient skill late into the night until early morning to get the agreement that we did, supported by Michael McDowell, Dermot Ahern and all our officials. I pay tribute to all of them. What was the St Andrews Agreement? Paul will know better than most that, as someone said to me, Northern Ireland is probably the only place where an agreement is never agreed or disagreed. I leave you to reflect on that paradox. But we got everyone to sign up to the broad thrust of it and to come away happy and content. The statements made afterwards — in particular by Ian Paisley, but also by Gerry Adams — were historic in their own terms. So, we now move on. The DUP is consulting this week and Sinn Féin is also consulting, especially on the policing agenda. They need to tell us by 10 November that they have signed up to St Andrews so that we can draft the final detail necessary for the legislation that we intend to take through on an emergency basis, with the support of the Opposition, on 21 and 22 November in the House of Commons and the House of Lords. An emergency Bill will go through in one day in each House, probably late in the evening.

We need to know that the parties are signed up to that. We need to draft the changes to the institutions set forth with widespread consent at St Andrews. We also need to be clear that the change in the pledge of office that Ministers need to take, which will include a commitment to support for policing and the rule of law, is signed up to. Then the legislation will go through, receive Royal Assent, if all goes well, on 23 November and a session of the Assembly will be convened on 24 November to receive nominations for First Minister and Deputy First Minister.

Then we move on beyond that, in February or March, to consultation with the people — either by election or referendum. The position so far is that the DUP is adamant that it would only accept an election. Sinn Féin would prefer to have no consultation. It sees no reason for that consultation, but, if the people are to speak, to which we are committed by the terms of the St Andrews agreement, it also wants an election. The UUP, the SDLP and the Alliance favour a referendum. If a referendum were to be held, it would have to be on an all-Ireland basis, I guess, but it seems to me that there is at least a fair wind, judging by what the DUP and Sinn Féin — the two largest parties — have said, for an election. We have to resolve that matter.

There is quite a lot of work to do. Meanwhile, there is the Programme for Government Committee, which did not meet last week as scheduled for various reasons. I hope that we can get that going sooner rather than later. A Preparation for Government Committee has meanwhile been meeting, so there is work in train and work still to be done. It is very important that the Programme for Government Committee meets, because there is a whole series of issues, which will be decided by direct rule Ministers, under my leadership, if devolved politicians and Ministers are not ready and up to do that. I think for example of rates reform, water charges, education reform, rural planning issues and so on. All sorts of steps are in train to take those issues forward. That cannot be halted because it is essential to get progress on them.

As I have made clear, it is better to do that with devolved politicians in shadow form — transitional form — waiting to take their places in a Executive after 26 March and ready to engage with us with their views, as they will do in a meeting with the Chancellor that all the parties have agreed to attend together to present the common view that has come out of the Preparation for Government Committee discussions and a report published on an economic future and reform agenda for Northern Ireland. That meeting will take place on 1 November. It is better if there is a Programme for Government Committee meeting for the politicians to feed in their views to us and for matters to be sequenced, so that they can take the key final decisions that remain—some more may be taken in the mean time — after 26 March, when restoration takes place.

I remind you, Paul, and colleagues that we set a date for restoration and the running of d'Hondt to form an Executive on 26 March — that is the deadline — with nominations for ministerial positions to take place on 14 March, so that everyone knows where they stand. Obviously an election or referendum would have to take place before that date.

So there is a great deal to be done. I end with one or two remarks on where Northern Ireland is going. Many of you have been following that in detail, whether in part of the island of Ireland, in some instances, or as Members of BIIPB — I pay tribute to BIIPB, to Paul and to Pat, your co-host of the session, for all the work that you have done over the years since 1990. I hope that you will continue to flourish in future and continue to play an ever-more important role, bringing even more politicians from Northern Ireland under your wings. I think that the prospects for that are better than they have ever been.

There are still big issues for Northern Ireland to face. The economy is not sustainable in its present form. It has far too small a private sector; it is far too bloated and bureaucratic in the administrative layers of the public sector. It faces big challenges on skills, with academic excellence for the top third but very poor achievement the lower you go down the ability ladder. That is not good enough facing the competitive challenges of Eastern Europe now, let alone China and India, which are coming fast over the horizon.

We have enormously wasteful educational provision, with segregation and separation imposing huge costs and waste of tens of millions of pounds — an issue being studied by the panel that we have set up under Sir George Bain's leadership, due to report to me later this year for the Assembly to pick up. There is enormous waste there with schools that are unviable, whereas, if they merged or shared, they could be viable; there are also millions of pounds going on maintaining premises and support that could be focused on improving standards and skills for every child in Northern Ireland and enabling Northern Ireland to get to the competitive level at which it needs to be.

Those are big agenda items waiting. One thing that continues to strike me about Northern Ireland politics is that it is not complicated and that it is not full of division, bitterness and the past agenda that goes back decades, generations and centuries. We know all that; it is familiar to us. What I think is important is that the politicians in Northern Ireland focus on the immediate challenges for their people. To be honest, the people of Northern Ireland—and the whole island of Ireland—care more about jobs, their families, the standards of their schools, the health provision available to them, housing opportunities and the problems of dealing with crime and anti-social behaviour than about politicians getting their act together. The sooner we can get down to bread-and-butter politics, the better. I take heart from the fact that Martin Bell, one of our former Westminster colleagues and a noted broadcast journalist, was on a panel — you, Paul, will remember appearing on it yourself — on the "Let's Talk" programme, which is Northern Ireland's equivalent of "Any Questions", and the debate about rates reform was raging. After all the politicians had had a go at the Government, the question came to him and he said:

"Well, I am absolutely thrilled, for the first time back in 36 years to Northern Ireland, that people are arguing about rates rather than about what they were arguing about and killing each other for when I was last here".

That is an optimistic note on which to end about what I believe is an optimistic future. Thank you very much indeed.

The Co-Chairman (Rt Hon Paul Murphy MP): Thank you very much indeed, Peter, for a fascinating account of where we are at the moment. I repeat that we all wish you and your colleagues well in the weeks ahead, with the enormous prize that there can be at the end of the negotiations.

I must be quite strict with the questions, because there are a lot of them. We have about an hour and I would like to get as far as I can — I am not quite convinced that I can reach question 23, but who knows? So we will do it in the usual way: I shall ask the first questioner to pose his question and we will then take supplementaries but, as I said, we shall try to go through it as quickly as we possibly can.

ORAL ANSWERS TO QUESTIONS

Cross-Border Bodies

1. **Mr John Ellis TD** asked the Secretary of State for Northern Ireland and Wales what action is being taken to improve the operation of the cross-border bodies; and if he will make a statement.

The Secretary of State for Northern Ireland and Wales (Rt Hon Peter Hain MP): North/South bodies continue to make an important contribution to the promotion of mutually beneficial cross-border cooperation and their performance is reflected in their published annual reports. Under commitments given to the Northern Ireland parties, no new functions have been conferred on the bodies during suspension. However, following recent political developments, we are hopeful that a restored Assembly and Executive will soon be in place and able to direct the further development of the bodies and their activities.

Mr John Ellis TD: I am grateful for the Secretary of State's reply. There have been some problems during the past two years for some of the cross-border bodies, which have had problems trying to get reaction, especially from some of their opposite numbers in the UK. I mainly refer to Waterways Ireland, which seems to have had major problems trying to complete land and other transactions because it could not get someone to sign off from Northern Ireland or the UK.

Rt Hon Peter Hain MP: Well, I know, John, that there have been some problems like that. We continue to try to overcome them. There are now 700 people in 17 locations across the whole island employed on North/South cross-border co-operation bodies implementing programmes. Cross-border bodies such as Tourism Ireland are an enormous success story and market the whole island on a common basis. There were two million visitors to Northern Ireland last year, which is more than the population and a great success. Rally Ireland, my hobby horse, is a good example of cross-border cooperation. So an enormous amount is going on. Rally Ireland is now in the World Rally Championships, by the way, which is a big achievement. A lot of co-operation is going on but, obviously, where there are problems to be sorted out, such as you have described, they need to be addressed.

4.30 pm

Integrated Education

2. **The Baroness Blood** asked the Secretary of State for Northern Ireland and Wales what assessment he has made of the role of the integrated education sector in the context of the Shared Future policy.

Rt Hon Peter Hain MP: The Government support the development of integrated education. Integrating education and improving collaboration are central to the terms of reference for the independent strategic review of education, which is being led by Professor Sir George Bain. The review is due to be completed next month.

The Baroness Blood: Thank you very much, Secretary of State. You have referred to George Bain. His report will come out shortly before 24 November, as I understand it. Is the Bain report written in stone, or will it be changed if the political context of Northern Ireland changes?

Rt Hon Peter Hain MP: I am not sure that the report will, as anticipated, actually make the 24 November date, for domestic reasons to do with the panel itself, but it will appear within a few weeks of that date. I regard it as a very important report. As direct rule Ministers, obviously we will want to look at it and take forward its agenda, depending on what it says. On the one hand, we have seen a doubling from just over 8,000 to more than 17,000 children now in integrated schools in Northern Ireland. I visited Lagan College a few weeks ago, and I was enormously impressed. I think it is the 25th anniversary of the first integrated provision in Northern Ireland. We have seen an enormous increase under our Government. That increase from 8,000 to 17,000 has been under a Labour Government. That is moving forward. The number of integrated schools has risen from 34 to 56.

The issue addressed by the Bain panel is this: you have got 50,000 empty desks in Northern Ireland,

rising to 80,000, out of a school population of 320,000. So within a few years, one in four desks in Northern Ireland schools will be empty. That is simply unsustainable. It means, as I said earlier, a tremendous and prolific waste of resources that ought to be focused on the individual classroom and helping every child to maximise his or her potential, rather than being wasted on its present expenditure. As for the Bain agenda — and we will have to see what he comes up with in detail — the remit is to look at how we can provide for more sharing and the maximisation of the potential of Northern Ireland's educational provision, to give every child the best possible education.

I expect radical recommendations; I would be very disappointed if they are not. Frankly, the sheer scale of the problem demands radical solutions. Whether that is an immediate move to the integrated provision that you and I both favour, and which you have been a champion of — and I pay tribute to you for that — or whether it is a staging post of shared facilities, with the distinct ethos of both schools being preserved, we will have to wait and see. Something radical is definitely needed, and I am sure that Sir George Bain will be in that ballpark.

Economic and Transport Links

3. **Dr Dai Lloyd AM** asked if the the Secretary of State for Northern Ireland and Wales will make a statement on prospects for improved economic and transport links between Northern Ireland and Wales.

Rt Hon Peter Hain MP: Northern Ireland enjoys strong economic links with the rest of the UK, and the working relationship between the Northern Ireland Office and the Wales Office is close. Air and sea links between Northern Ireland and Great Britain are market-driven. However, the Government insist on maintaining and monitoring the organisation of ports and airports, so that the commercial organisations that utilise them can optimise their effectiveness in providing transport links.

Dr Dai Lloyd AM: I thank the Secretary of State for his reply. Notwithstanding the transport problems that I had in Bristol yesterday on my way to the Body — I realise that England is one of those few remaining jurisdictions that you are not the Secretary of State for — as the Secretary of State for both Northern Ireland and Wales, what are you doing in terms of that unique situation to improve the economic profile of both Northern Ireland and Wales?

Rt Hon Peter Hain MP: As you know, a very good flight service between Cardiff and Belfast is provided by bmibaby. I imagine the schedule did not fit your travel plans, or you would not have had to go to Bristol. There is that service, which is operating to capacity, as I understand it. There are also ferry links, but they are all via the Republic: Fishguard and Pembroke to Rosslare; Holyhead to Dun Laoghaire; Swansea to Cork. There is plenty of opportunity to build on, and I hope that it can be built on, in a way that is cost-effective. I am encouraged by the fact that increasingly businesses in the whole island of Ireland are looking to invest in and establish partnerships with Wales, especially the west of Wales. I am told that more and more Irish citizens from south of the border are buying property — holiday homes and the like — in Wales and investing there. There are also other forms of property investment. That is to be welcomed, and we need to build on that. Wales would like to emulate, as Northern Ireland would, the Republic's success as the Celtic tiger, although in Wales's case, we would like to be the Celtic lion.

The Disappeared

4. **Senator Brian Hayes** asked the Secretary of State for Northern Ireland and Wales what discussions he has had with his Irish counterparts and with the political parties about the issues raised by the families of the disappeared; what progress has been made towards helping these families; and if he will make a statement.

Rt Hon Peter Hain MP: I and my officials have had frequent discussions with the Irish Minister for Justice and his officials on this issue. We have made significant progress in implementing the recommendations in the commission's last report. A project team has been established to take forward the remaining recommendations, including improved liaison with the families.

Senator Brian Hayes: I thank the Secretary of State for that reply. I encourage him, with his counterpart in Dublin, to continue to put pressure on the republican movement to, first, identify the locations where the victims have been buried and, secondly, to fully admit all of the murders that were carried out. I am aware that the IRA has admitted nine such murders to the commission; only three of them have led to the disappeared person being given a Christian burial. I ask the Secretary of State to continue to use his good office to put pressure on the republican movement, so that the victims' families

can get some closure. In many of these cases, people have been murdered 25 years ago and the families are still unable to bury their loved one. I was in South Armagh recently, and I visited the families of Charles Armstrong and Gerard Evans. There is a particular problem there where the IRA has not taken responsibility for those brutal murders. I ask him to put pressure on the republican movement on this issue.

Rt Hon Peter Hain MP: I can certainly give you that assurance, and I am with you both in the spirit and in the content of everything that you have said. For the families who have faced this appalling situation, the worst thing about it is not knowing what happened, not knowing where the bodies are and not being able to get any kind of closure on these appalling atrocities. Fourteen people disappeared during the Troubles in Northern Ireland, and to date five bodies have been recovered, but the burial sites of 11 remain unknown. The Provisional IRA has admitted responsibility for 10 of the 14, while one was admitted by the INLA. No attribution has been given to the remaining three, but it is largely the view of the families that they were also victims of the PIRA. We need to make progress on this. To be fair to him, Gerry Adams has spoken to me and has taken steps publicly to seek to move this forward, and he deserves credit for that, but more needs to be done.

Environment Protection Agency

5. **Mr Andrew Mackinlay MP** asked the Secretary of State for Northern Ireland and Wales when an independent environment protection agency for Northern Ireland will be established.

Rt Hon Peter Hain MP: An independent review of environmental governance was launched on 28 February. The panel published a report of its interim findings on 29 September and will publish its final report by the end of March 2007. The Minister for the Environment will consider the recommendations before making a decision on the way forward.

Mr Andrew Mackinlay MP: I do not want to be unpleasant, but that is not going to stop me saying that that is not good enough. The fact is that the North Channel is the common property of all the jurisdictions represented here, and it is a fragile ecosystem. The birds and animals there do not see any boundaries. Northern Ireland is the only place in western Europe that does not have its own independent environmental protection agency at arm's length and separate from government. The truth is that the Northern Ireland Administration, in the various departments, have failed to protect much of the environment in Northern Ireland, to the loss of the people in Northern Ireland and the surrounding jurisdictions in terms of waterways, habitats and natural life.

Rt Hon Peter Hain MP: I know that you have been badgering me and pressing me on this — rightly, Andrew — for some time now. We had a review published on 29 September that looked into those issues, and the final report will be in March 2007, with the recommendations for future action supported by a costed business case. We have improved the environmental record. I put £60 million, which is a lot of money for a population this size, into renewable energy and environmental protection as part of the last Budget. We are moving forward with big new initiatives, such as placing free solar panels on the homes of Housing Executive low-income families; there are hundreds going in at the moment. Private owners get generous grants, for example. That £60 million is expected to leverage in another £300 million in private investment. We are making major progress, but I recognise that this is an important question. The review panel will presumably make a recommendation that you will be happy with.

Devolved Governance

6. **Mr John Griffiths AM** asked the Secretary of State for Northern Ireland and Wales what assessment he has made of the impact of recent political events on the prospects for devolved governance in Northern Ireland; and if he will make a statement.

8. **The Lord Smith of Clifton** asked the Secretary of State for Northern Ireland and Wales if he will make a statement on negotiations between the two Governments and the Northern Ireland political parties regarding the full restoration of political devolution in Northern Ireland within the proposed timetable.

14. **Rt Hon Michael Mates MP** asked the Secretary of State for Northern Ireland and Wales if he will make a statement on the peace process.

22. **Mr Jim O'Keeffe TD** asked the Secretary of State for Northern Ireland and Wales if he will make a

statement on political developments in, and prospects for, Northern Ireland.

Rt Hon Peter Hain MP: With permission, I will answer this question with Questions 8, 14 and 22. I refer to my Statement in the House of Commons last Monday, 16 October. Earlier this month, both the British and Irish Governments engaged intensively with the Northern Ireland political parties to defy the sceptics and cynics and secure the St Andrews Agreement. The agreement sets out a clear timetable for restoration on 26 March, which we look to the parties to endorse by 10 November.

Mr John Griffiths AM: With regard to the St Andrews Agreement, Peter, and particularly the east-west inter-parliamentary framework, could you say a little bit more about what is envisaged for that framework, and in particular how it might add value to the work of this Body?

Rt Hon Peter Hain MP: In east-west terms, we have committed the Northern Ireland Grand Committee to meeting in Belfast. Its next meeting will be in Belfast, at a date to be agreed through the usual channels.

As for the British-Irish Inter-Parliamentary Body, as I indicated in what I said at the beginning, it has arguably an even more important role to play in the future than the very important one that it has played in the past and is playing at present, in bringing people together who otherwise would not have been brought together, and helping to build partnership and confidence. If you consider a Northern Ireland with a restored Executive, I hope that we will have politicians represented from the parties, including those who are not represented or have not been turning up regularly. I welcome the fact that the DUP came to the last meeting. We could have Members of Parliament from all the parties represented on this body, and it could go from strength to strength. I see a big future for it in taking forward a whole series of issues, not just confined to Northern Ireland but the increasing number of issues that will cross the border and exist on an east-west basis. We all face big global challenges from China and India, let alone low-cost eastern and central European countries. We all face big problems of energy security and climate change. We all face problems of international terrorism. There was, after all, an al-Qaeda affiliate arrested, charged, prosecuted and jailed in Belfast last year. We have common challenges and common problems to overcome. The more confidence and trust can be built through the BIIPB performing a kind of frontier role in this, the better.

4.45 pm

Mrs Rosemary McKenna MP: We all understand how important the St Andrews Agreement was. However, several speakers this morning emphasised that the St Andrews Agreement was between the two Governments — the British and the Irish — but not between the political parties. I wondered why they were making that emphasis and why they were being somewhat pessimistic.

Rt Hon Peter Hain MP: I do not think that there was any pessimism involved; it was a statement of reality. I was speaking to the Prime Minister when we were driving back to the airport afterwards. Paul more than most will understand what I am about to say. I asked the Prime Minister, “Was the Good Friday Agreement rather like this, or was every last comma and dot signed up to?”. He said, with a smile, “No, it was exactly like this”. That is to say that everyone broadly signed up to it, everyone accepted the overall agenda, and there had been a lot of intensive negotiation to get there. After all, we came to St Andrews without any of that in place. All of them went away broadly happy and clear about where they needed to go, but with a number of issues still to be worked through in detail.

That is what both the Taoiseach and the Prime Minister were saying. No one has yet reneged on the St Andrews Agreement. We hit a bit of a glitch last week, which we will try to get through. No doubt there will be more problems that need to be resolved in subsequent weeks, as there were after Good Friday, but they are a matter of sequencing and detail rather than of overall principle. The two bedrocks are in place; that is, support for policing and the rule of law on the one hand, and support for power-sharing and a willingness to share power on a cross-party basis — really for the first time on that basis — willingly rather than grudgingly and genuinely rather than reluctantly. It is just a question of implementing it. If we are to fall over in some unpredictable way, the consequences for the parties are very clear: Stormont shuts down and the Assembly is dissolved, either on 25 November if we do not get through the current phase, or alternatively after 26 March, which is the next, as it were, deadline for proper restoration. I do not think it is going to fall over, I think it is going to run, but it remains to be seen.

The Co-Chairman (Rt Hon Paul Murphy MP): Peter, would you find it convenient to take identical questions on this as a group now? Trevor Smith has a question and then Eddie, Michael Mates and Jim.

I think we will take those together, if that is all right with you. It makes sense.

The Lord Smith of Clifton: Secretary of State, you have already referred to the work of this Body, and I imagine that one of the implications of the St Andrews Agreement will be that this may be reconstituted in some way. Will it be given some statutory basis, and will it be more formally allied with the British-Irish Council by, for example, the attendance of the Body's Presiding Officers?

Rt Hon Peter Hain MP: I have not had that put to me before. The BIIPB is not a statutory body, and therefore any change in its role — enhancing its role, the question of the attendance of Presiding Officers, Speakers and so on — could be done outside legislation. No one has envisaged that this Body's role would be part of the emergency Bill that we will be bringing to Parliament in the week starting 20 November, all being well. Obviously, we would want to take into account any conclusions that you might want to put to the Joint Chairs of the BIIPB, including the point that you are making. The only point I would make in respect of ministerial councils and so on is that Parliament — at least our Parliament — has traditionally been very jealous of its distinction from government. Once you put things on a statutory basis and begin to integrate them with ministerial groups and so forth, there is a question mark about whether it would be better off standing free, but I am open-minded on these matters.

Eddie McGrady MP: Secretary of State, I endorse what you said, with a word of thanks to the Prime Minister, the Taoiseach, the Tanaiste, yourself and all the other Ministers who were involved, including the Minister for Foreign Affairs, for the tremendous effort, diligence and endurance that they displayed during the negotiations, both then and in months past. Part of the accord that was reached in St Andrews was related to the enhancement, as I understood it, of the North/South ministerial bodies, giving them an enhanced role and enhanced funding. Can you confirm that the North/South bodies would benefit from the so-called economic dividend from the Chancellor of the Exchequer, and indeed from the investment by the Government of the Republic, that these funds would be ring-fenced for the purposes for which they were designed and that they would be additionality rather than substitution funds?

Rt Hon Peter Hain MP: First of all, before I answer the question expressly, since you were kind enough to say what you said at the beginning about the Taoiseach, the PM and the other Ministers, it is worth putting on the record praise for the SDLP's role. I am sure we would all say that. At St Andrews, the SDLP representatives, yourself included, played a very important role in brokering agreement on a number of key issues to do with reform of the institutions and policing. Over the years, the courage that John Hume showed, and that you all showed in difficult circumstances, when it was not the popular thing to do, has brought us to the point that we are at today. I do not think that we would be here without the SDLP's role. I thank you for that.

On the question of funding, clearly we have to work this through, but a lot of it would self-evidently be directed on a North/South basis, especially if the Republic put significant sums of money in, as has been indicated might be the case. For example, there is already cross-border co-operation, with the Republic Government putting £12 million or thereabouts into Derry International Airport, because it benefits Donegal. Similarly, there is co-operation on the regeneration of the north-west. That principle can be applied right the way through. The Republic's Government has put a very strong case for the Ulster Canal, which is an admirable project. They have the money at the moment and we do not; but it would be nice to see it proceed. It has my blessing in principle, although no funding is in sight at the moment. We need to address all those things. Whether all the money that is being talked about would be channelled exclusively on a North/South basis remains to be seen. It is not obvious until we get to the other side of meetings with the Chancellor — the first being next week — where we will go on that.

Rt Hon Michael Mates MP: Following on from Lord Smith's question, if you are not proposing to make any mention of this Body in the legislation coming before Parliament in November, I hope that you might at least — as the then Prime Minister did in 1981 when it was first proposed — give the Body a fair wind in something that you say.

In paragraph 24 of annexe A to the St Andrews Agreement, you say that your Government and the Irish Government would encourage both Parliaments:

“and the relevant elected institutions to approve an East-West Interparliamentary Framework”.

Who is going to propose that for approval? Are you going to do it in consultation with us? Would you like us to come up with a suggestion or a blueprint for you? How do you see that bit of the St Andrews Agreement working?

Rt Hon Peter Hain MP: It would be very good if you came up with ideas and proposals in that respect. You would be the ideal body to do it, and we would want to take that advice and be guided by you. In the end, it is a decision for both Parliaments, as the paragraph implies, but you are in pole position on that, and I certainly would welcome that.

Rt Hon Michael Mates MP: In that case — if I could just come back on that — could you give us an idea of the sort of time frame in which it would be helpful for you to have our advice?

Rt Hon Peter Hain MP: This is not something that requires legislation — although it could do, in which case I would need to know by 10 November, and probably earlier than that if some legislative issue was apparent for our Parliament. I caution against that, because you then would need reciprocal legislation in Dublin, and I am not sure that that is where we want to be. It would probably be better to proceed on a non-statutory basis to make the progress that was envisaged in that paragraph, given what you have been saying and the potential that I have described, which exists and which I endorse. The sooner we do that the better, really, but given that restoration is not going to happen until 26 March, we have got a bit of time.

Jim O’Keeffe TD: In relation to another matter, the Secretary of State talked about having either a referendum or an election in Northern Ireland. What factors will be weighed up in arriving at the decision on whether to have an election or a referendum?

Secondly, did I hear the Secretary of State say that if there was a referendum in Northern Ireland there would be one in the South as well? I may have misheard him. What is the basis for such a statement? Normally, we do not have a referendum in the Republic unless we want or need to amend our constitution. We have done it in the past pertaining to Northern Ireland, but to many of us the St Andrews Agreement does not appear to provide for fundamental matters requiring constitutional change in the South. I gather that the matter has been referred to the Attorney General. If the Attorney General confirms that there is no need for a referendum because there is no constitutional change, would the Secretary of State accept that in that situation there would not be any rush to have a referendum in the South for any reason?

Rt Hon Peter Hain MP: I take it as quite an important watchword not to cross any Attorney General. I am not going to intrude on proper decisions for the Republic’s Government, if you do not mind. It is a matter for them. I am just saying that prominent people have said that if there were to be a referendum in the North there ought to be one in the South. I happen to agree with you that the St Andrews Agreement does not signal changes to the Good Friday Agreement that are of such a fundamental constitutional kind that a referendum would automatically be considered. However, the argument has been put that if a referendum is going to be held in Northern Ireland one should be held in the Republic as well. It is not for me to decide what the Republic wants to do; it is for you all to resolve with the Government.

On the merits of the alternatives, the two largest parties favour an election, as I indicated earlier. The problem with a referendum is that there would have to be equal financing for yes and no campaigns under the 2000 legislation on the regulation of political parties. That would certainly be the case for Northern Ireland. I guess some of the parties would be concerned about the divisions in their ranks being expressed on either side; that might go for all the parties. That would be the factor weighing on people’s minds on the question of a referendum.

On an election, at the moment, if we got restoration without an election, the next election would be in May 2008. In any event, we have postponed the election due in May 2007. That is in the existing legislation that went through the House in the spring. The argument is about whether you want, having just settled into power together for the first time properly on a permanent basis, to be preparing for an election a year later, or whether you want, having had an election, to have four clear years in which you can govern and share power together, rather than setting yourselves up to squabble among each other in a forthcoming election. I suppose that that is the issue so far as an election is concerned. As I said, speaking genuinely, we have not made a decision on this, and we need to talk it through, not least with the Irish Government.

5.00 pm

Cross-Border Road Network: Crossmaglen

7. **Mr Seamus Kirk TD** asked the Secretary of State for Northern Ireland and Wales what plans he has to forward economic regeneration by upgrading the cross-border road network leading to and from Crossmaglen, South Armagh; and if he will make a statement.

Rt Hon Peter Hain MP: A number of studies are currently under way or are planned to identify the strategic road needs in the areas bordering Crossmaglen, including a feasibility study jointly commissioned by Roads Service, Monaghan County Council and the National Roads Authority.

Mr Seamus Kirk TD: I thank the Secretary of State and am glad to hear that this area is being looked at. I am sure that you are familiar with the geography and the proximity of Crossmaglen to the Louth-Monaghan border, which are very near each other. If it is to be part of this economic regeneration, the upgrade of the road network to it will be vital. I should appreciate it if that would be borne in mind.

Rt Hon Peter Hain MP: We certainly will. As you may be aware, road and footway improvement works on the A37 are being carried out at a cost of about £300,000 and a junction improvement, again on the A37 — at Loughross Road, approximately 1 kilometre from Cullaville in the direction of Castleblaney — has been taking place at a cost of approximately £80,000. I think that I was the first Secretary of State to wander round the village town square in Crossmaglen last year, much to the concern of my protection officers, so I am certainly interested. With the army withdrawing and the base there closing, transport links across the border and to Crossmaglen become even more important on the roads.

Free Travel for Older Irish Emigrants

9. **Dr Jerry Cowley TD** asked the Secretary of State for Northern Ireland and Wales what plans he has to extend free travel to older Irish emigrants; and if he will make a statement.

Rt Hon Peter Hain MP: At present, free travel is available to all persons resident in Northern Ireland who are aged 65 or over. In addition, plans to introduce an all-Ireland free travel scheme for older people are well advanced. I understand that Séamus Brennan, the Republic of Ireland's Minister for Social and Family Affairs, is exploring all options in respect of free travel in the Republic of Ireland for Irish-born people living outside Ireland.

Dr Jerry Cowley TD: Secretary of State, thank you very much for your reply. There is a book written by a namesake of mine — Ulton Cowley — called 'The Men who Built Britain'. He referred to the Irish people who went over and built Britain after the war; we all know about that. I often wonder what the UK is doing for our emigrants. I feel that you have done nothing for those people who gave such magnificent help to your country. Would you, Secretary of State, consider a repatriation grant for those few Irish people who wish to return to Ireland? It would be such a help to them and would make such a difference; many of them are in dire circumstances in your country. Would you consider putting that to your Government?

Rt Hon Peter Hain MP: To be perfectly frank, the answer to that — in the nicest possible way — has to be no; I have got no plans to consider that. If a case were made for it we would have to receive it and study what it meant and what the costs involved were. On the specific question about the free travel scheme, we are making a big breakthrough — we are extending free travel for pensioners beyond Wales, where the scheme has operated for four or five years, right across England; I think that one also operates in Scotland. We will also very soon give Northern Ireland citizens or Republic of Ireland citizens in the island of Ireland the ability to travel across the border not just as they can at the moment from, say, Belfast to Dublin, but also to travel on to wherever they then want to go; they could use Dublin's passenger transport systems for free or Northern Ireland's bus and rail facilities, again for free, to get to wherever they want to go: Giant's Causeway, Derry or wherever it may be. That is a tremendous step forward. I hope that you do not take offence to the straight answer I gave to your question but I should prefer to get that in place before we consider the matters to which you referred.

Dr Jerry Cowley TD: Would you consider a submission on that?

Rt Hon Peter Hain MP: I would be happy to consider a submission but we need to be very careful about this. I am advised, for example, that if you were to extend the travel scheme to people in receipt of an Irish pension and living in Great Britain — you might not do it this way — that could be discriminatory under European Union law. It will be very difficult to extend an entitlement to free travel simply to Irishborn people living in Great Britain; that might be contrary to European legislation, which prohibits discrimination on grounds of nationality. My point is that this is quite complex but by all means send me a case and, without prejudice and with that helpful warning, I will happily look at it.

Senator Paschal Mooney: I commend the Secretary of State on his assistance to Séamus Brennan, the Irish social welfare Minister, in relation to the North/South dimension of the question. I ask him please to ensure that the advanced discussions that he referred to will be completed as soon as possible. The Irish side, as the Secretary of State will be aware, is ready, willing and anxious to implement this. Members of the Body should be aware that the Irish social welfare Minister has recently abolished the restriction surrounding travel that traditionally applied only to off-peak periods. Irish pensioners in the Irish Republic can now travel at any time. Once that is introduced North/South, it will also apply to Northern Ireland. Will the Secretary of State please ensure that this is implemented? As he knows, it has been on the table for quite some time.

Secondly, on the Secretary of State's statement about possible infraction of Community rules, I ask him and his Government to ensure that the obstacles that he outlines will not be put in the way of implementing what the Irish Government are proposing in their discussions with the European Commission; that is, to extend free travel not only to old age pensioners who are resident in the United Kingdom and in receipt of an Irish pension but to all European Union citizens who are in receipt of an Irish old age pension. As the vast bulk of that cohort is located within the United Kingdom, the Irish Government are firmly of the view that they could implement this without it being discriminatory in any way. I hope that the Secretary of State, through the UK Government, will support the Irish Government's efforts at Commission level to ensure that this happens as soon as possible.

Rt Hon Peter Hain MP: I will obviously not say no to a good case being presented. If the Irish Government seek our assistance, we will obviously want to give what help we can. But I must caution you in this respect: there is a cost involved. The new all-Ireland free travel scheme for older people will be introduced next April, which is a fantastic achievement. Colleagues from Wales will recall that when we — the Labour Welsh Assembly Government — introduced free travel for senior citizens across Wales, there was an immediate demand for it to be applied to, for example, people with disabilities and students. That has been taken forward in Wales. However, you have got to get something established and up and running — I was about to say “on-the-run” but I do not think that that is appropriate language in the context of this Body — before you move forward to consider what additional benefits might or might not be added on a costed basis. I caution you about adding on another dimension, however strongly people feel about it, when costs are involved.

Senator Paschal Mooney: The Irish Government are committed to the concept of extending travel because the cost will be borne by the Irish Government, not by the UK Government.

Rt Hon Peter Hain MP: If it is borne entirely by the Irish Government, the earlier question about the British Government paying for this does not arise.

Senator Paschal Mooney: My question — I apologise through the Chair — was totally separate and has nothing to do with repatriation; it is to do with the extension of old age pensioners' free travel rights.

Rt Hon Peter Hain MP: OK.

Waterways Ireland

11. **Senator Brendan Ryan** asked the Secretary of State for Northern Ireland and Wales what representations he has received about delays in paying wage increases to the employees of Waterways Ireland; and if he will make a statement.

Rt Hon Peter Hain MP: I have not received any such representations.

Senator Brendan Ryan: It is extraordinary that I have then, and I have no power over these bodies. Employees of Waterways Ireland are complaining that terms of national wage agreements that they would be entitled to in the Republic have not been paid to them. If the Secretary of State has so far received no representations, can he now consider representations that have been made to him by me and investigate why there was a delay in paying them?

Rt Hon Peter Hain MP: I will obviously have to look into the matter and drop you a line, if that is all right.

Competitiveness

12. **The Lord Dubs** asked the Secretary of State for Northern Ireland and Wales what measures he proposes to improve the competitiveness of the Northern Ireland economy.

Rt Hon Peter Hain MP: A range of measures has been advanced to promote regional competitiveness in line with the economic vision and the emerging regional economic strategy. These new measures are designed to promote skills enhancement, innovation, entrepreneurship and infrastructure upgrades to ensure that the local economy is ready to compete in the new global marketplace.

The Lord Dubs: I am grateful to the Secretary of State for that. I wonder whether I can add one other suggestion that I am sure he has heard many times; that is, that corporation tax in Northern Ireland should be put on the same level as that in the Republic.

Rt Hon Peter Hain MP: This demand has been fervently expressed by the business community and endorsed by all the political parties, which met and actually did some very good work in the Preparation for Government Committee over August and into September; they came up with a first-class report. My response — I acknowledge Alf's own close involvement as a Minister and a parliamentarian in taking Northern Ireland forward and pay tribute to him for that — is that I just do not think that it is possible for a member of the United Kingdom Cabinet to go to the Chancellor and make a case for one part of the United Kingdom to have a differential corporation tax. If I did that and breached collective responsibility in that respect, there would be, I predict without any fear of contradiction, an immediate demand from Wales and Scotland. However — I have already said this — if an incoming Executive, backed by an Assembly, presented not just the case that it has argued for in the report for an equalisation of corporation tax but also looked at the cost implications of any revenue shortfalls for the Treasury and any knock-on implications, that would be a different matter entirely. A devolved Executive presenting a case would have to be listened to. Whether the Chancellor would agree to that is another matter; the Chancellor has also made it clear, as he did to the parties when he met them in June at my invitation at Stormont, that very few businesses in Northern Ireland pay the full rate of corporation tax anyway. He has agreed to present the parties on 1 November with material covering that. In short, I will not make the case but a devolved Executive is free to make what case it chooses but it must also do the full costings and take into account the revenue implications of any shortfall in corporation tax if we went down that road.

All-Ireland Co-operation

13. **Ms Liz O'Donnell TD** asked the Secretary of State for Northern Ireland and Wales what priorities has he set for all-Ireland co-operation, infrastructural and enterprise development initiatives, in the event of failure to re-establish the power-sharing institutions in November; and if he will make a statement.

Rt Hon Peter Hain MP: Following the significant progress made by the political parties and the two Governments at St Andrews, the next step is for the parties to embrace the proposals and timetable that were outlined following these discussions. I very much hope that they will grasp the opportunity presented and move forward together. Should they respond positively by 10 November, the situation set out in the Question would not arise. However, as the Prime Minister and the Taoiseach have made clear, if there is failure at any stage along the route map that has been published, both Governments will take steps to ensure that the Good Friday Agreement is actively developed across its structures and functions with the details of such steps being made public at that time.

Ms Liz O'Donnell TD: Thank you, Secretary of State. Happily, my Question has been overtaken by events at St Andrews and the more positive outlook arising from those negotiations. I ask you to ponder on this: it seems that because of the unhappy situation that we had — that the institutions and Executive had operated only fitfully since 1998 — the two Governments have been able to plough ahead to quite a degree with North/South co-operation. At the most recent British-Irish Intergovernmental Conference a range of areas were agreed on for North/South co-operation and the development of a prosperous and competitive all-Ireland economy. Do you anticipate that if we have restoration there might be a slowing down rather than an acceleration of that North/South co-operation? As I say, because no Assembly or Executive were really operating, the two Governments have been moving ahead in an accelerated fashion. Does the Secretary of State envisage that that might be slowed down now that the parties in Northern Ireland are governing their own affairs? Given the previous resistance of the DUP, for example, to North/South co-operation, there might be a slowing down; that is the nature of democratic politics.

5.15 pm

Rt Hon Peter Hain MP: Devolved governments do as they choose to do; that is the nature of devolution and local decision-making. Notwithstanding the traditional antagonism on behalf of not just the DUP but also the UUP to cross-border co-operation in the bodies that drive that, there are imperatives out there that will make increasing co-operation an absolute necessity. The Taoiseach and the Foreign Minister, Dermot Ahern, have been good enough to say that North/South co-operation has been given an enthusiastic drive forward by me these past 18 months. I have done that out of real conviction. Why? Because the imperatives are there. If, for example, a Republic of Ireland citizen wants urgent healthcare, and that can be provided for across the border, according to their choice, more easily and perhaps at a better quality — or vice versa — why should that not happen? After all, choice over people's health should come first. If a further education student wants to study in Coleraine or wherever it might be — across the border in Newry, perhaps—because a choice is available there that is not available in the Republic, that should happen. If we want — as we must surely do — to track down sex offenders moving across the border, we should have common positions. If we want to deal with international terrorism — I am not talking about Ireland's traditional problems with terrorism—that is best tackled on a cross-border basis. If we want to build a strong all-Ireland economy, that is better done on a cross-border basis. There are real-life, practical imperatives that I think will drive forward the cross-border North/South co-operation agenda in its own terms rather than from ideological or aspirational opposition or thwarting.

It will obviously be a matter for a devolved Government and re-established Assembly to follow their own course. I hope that they pick up that agenda with enthusiasm. I will not be in a position to dictate to them; nor would I seek to do so. People accuse me of doing enough dictation under direct rule, let alone trying to do so under devolution. As I say, that agenda involves what I call common-sense, practical politics. No responsible Northern Ireland devolved government would duck those responsibilities.

Senator Martin Mansergh: I was sitting next to an Ulster Unionist councillor from east of the Bann who is also a successful businessman. He said to me that as a unionist, he wanted to limit North/South cooperation but that as a businessman he could not have too much of it.

Rt Hon Peter Hain MP: That is a very sharp observation, as I would expect from you, and a very valid one. The business community — unionists or nationalists — is fully signed up to North/South cooperation; it cannot get enough of it. It has endorsed my prescription and vision of an island of Ireland economy; and, again, it did so enthusiastically. The CBI in Northern Ireland, the IOD and the Federation of Small Businesses are all up for this. Regardless of which way they vote and their own political agendas, this is where they want to go. In a sense, that bears out the answer that I gave earlier: when people focus on the practicalities rather than the ideological rhetoric and hang-ups about this they must see North/South co-operation as an essential rather than as something to quibble about.

Equality

16. **Senator Paschal Mooney** asked the Secretary of State for Northern Ireland and Wales if he has received a copy of 'Equality in Northern Ireland: the rhetoric and the reality' by the Committee on the Administration of Justice; what plans he has to ensure greater equality for Catholics in employment and in private and public housing; and if he will investigate the funding decisions of Invest Northern Ireland.

Rt Hon Peter Hain MP: I received a copy of the CAJ's report and commend it on the work that obviously went into its production. Employment initiatives targeting those in greatest need, along with strong, fair employment legislation, have contributed to a significant reduction in the gaps in unemployment rates between religious communities. Housing is allocated on the basis of need and it is unlawful to allocate housing on the basis of religious belief. Invest Northern Ireland supports businesses that have the greatest potential to generate economic growth and prosperity for Northern Ireland.

Senator Paschal Mooney: In my supplementary question I want to focus on two areas that come under your direct purview; that is, public sector employment specifically in the civil service and Invest Northern Ireland. I add by way of context that the three panellists who were with us earlier this afternoon debating the role of civil society all agreed that this report was welcome and should be in the public domain. They said, and I hope that you will agree, that the mark of a mature democracy was that instead of putting a spin on the surface advantages, the underlying problems should be debated in public. I am sure that you agree with that. In that context, what efforts will the British Government take to ensure that there is greater transparency and opportunity for Catholics to be promoted within the Civil Service of Northern Ireland? Moreover, in relation to Invest Northern Ireland, despite the widespread perception that the Catholic/nationalist community in west Belfast and Catholics generally throughout

the North have been much more perceptive and opportunistic in accessing government funds, the report shows that the reality is the complete opposite. Will there be a change of policy, notwithstanding your reply about decisions being taken on market viability?

Rt Hon Peter Hain MP: We must target economic disadvantage and deprivation, regardless of where it falls. Traditionally, that has been in Catholic communities, and massive strides have been made in recent years to address the problems, including in housing and employment. I have been struck, visiting what you might describe as republican areas—certainly nationalist areas—compared with loyalist areas by how much vibrancy, optimism and get up and go there is among Catholic families about the future, especially in terms of getting their children a good education. Teachers in some of the loyalist areas I have been to in Belfast tell me that parents' expectations for their children's education are very low. Traditionally, those children in past decades would have gone straight from school into the Civil Service — which is largely reserved for Protestants — Shorts Brothers, Harland & Wolff or whatever it might be with, in a sense, a job awaiting them. That is no longer the case in today's economic situation. I get a lot of complaints from those in loyalist areas — particularly, by definition, those in loyalist working class areas—who feel that they have in a way fallen behind. We need to address that. I am very encouraged by the fact that Bob Collins — who is, of course, a citizen of the Republic and chief commissioner of the Equality Commission for Northern Ireland — acknowledged in a recent monitoring report the significant advances of Catholics in the labour market in Northern Ireland and concluded that the:

"imbalances in employment recorded in the early 1990s have, in effect, disappeared".

That is very encouraging. The ECNI figures also show that promotion trends for Catholics have been very positive, with the religious composition of managerial, professional and technical occupations now being in balance relative to the composition of the workforce. We are light years away from where we were, which is very encouraging.

Student Fees

17 Ms Cecilia Keaveney TD asked the Secretary of State for Northern Ireland and Wales what plans he has to discuss the issue of top-up fees for students of higher education courses in the North of Ireland with Ministers in the Republic of Ireland; and if he will make a statement.

Rt Hon Peter Hain MP: From September 2006, higher education institutions in Northern Ireland are able to charge variable tuition fees of up to £3,000 per annum. Payment of fees may be deferred, however, through a fee loan, which is available to Northern Ireland and EU — including Republic of Ireland — students. I have discussed this issue on a number of occasions with the Irish Foreign Minister.

Ms Cecilia Keaveney TD: Do you accept that there have been huge numbers of job losses in places such as Donegal in textiles and that we have been hearing all day today about the economic depravity of the options that are currently available in the North? If the way forward is to involve education — you said that a minute ago in response to Deputy O'Donnell's question — it should not matter if a Donegal person wants to go to Coleraine or Dublin; but it does matter, and it does cost. While sitting here, I have been emailed by woman who has three children who will go to university next year. She qualifies for a grant for maintenance; in other words, her income is very low. Those are the sorts of people whose standard of education we want to raise. However, she is faced with a bill of £9,000 next October, or the children will either not go to college or they will go south. That is an issue of choice. That should be central to any agreement between now and November or March, or whichever date you take. If we are telling people to have education, and we start putting in barriers to stop people getting there, we are simply being hypocritical and two-faced.

Rt Hon Peter Hain MP: When the £1,000 tuition fee was introduced six years ago in the UK, that decision by our Government — it was a difficult decision to take — was accompanied by predictions of a fall in the numbers of students, particularly of working-class students, going to university. However, that did not happen. It is still not clear whether the new fee arrangements — allowing for variable fees up to a maximum of £3,000 — will impact on actual students in actual university places, especially as the system beds down. As I indicated, generous support is available under which fees can effectively be waived for low-income students and there are generous repayment schemes, whereby you do not pay the money back unless you are in work or are earning at least £15,000 a year; or, if you are earning, for example, £350 a week, you pay back only £5 a week. That is the best loan possible and the best investment in your future.

On the predicament of students in Donegal and the family to whom you referred, we obviously need to work this through. Dermot Ahern and I have already resolved other issues and we need to look at that. There needs to be an income stream into the university from somewhere.

Ms Cecilia Keaveney TD: I apologise for coming back on this again but if Scotland can do this, there should be some way forward in the context of the Good Friday Agreement. If we stop coming to northern universities, you will have a fall in your universities. According to university application figures, students are already stopping going from the Republic to the North. Northern students are choosing to go to Scotland, Dublin, Cork or Galway where they can get the same courses. Where is the future for the university sector in the North if we let this happen? I am being selfish, because this is impacting on my students, who are being discriminated against. When you are a prisoner, under EU conventions, you can serve your prison sentence at the place that is most local to your home. Students should surely be able to go to university at the location that is closest to their home, as has always happened in the past.

Rt Hon Peter Hain MP: First, there is a funding issue for the Republic of Ireland Government here. Universities need the income stream to which they are entitled. In this case, the University of Ulster needs that income stream. This needs to be discussed with the Irish Government. Wales has chosen a slightly different path. Budgetary decisions have been made in Scotland that have had an impact on other budgets. None of those are free hits. If the Scottish Parliament chooses to put its money into that — I refer not to the case that you quoted but to the most subsidised section of the educated population anywhere in the age range — and does not invest in Sure Start, pre-school education or support for parents who want to work so that their children can be given quality childcare with education alongside, that is fine, but there are budgetary consequences and you have to face them. I would like to see more money going to the most deprived families to support the children who, if they do not get the best start in life, will never get to the point where they can choose whether or not to go to university in Coleraine. As I say, those choices are to be made and the Republic of Ireland Government will obviously be involved in those funding implications. I understand the predicament and sympathise with the family but those are the issues that we must address in government.

The Co-Chairman (Rt Hon Paul Murphy MP): Thank you very much indeed, Peter, for a very interesting and informative speech on where we are and for the marathon question time. We wish you well in your efforts and look forward to seeing you this evening for dinner.

I have one or two housekeeping matters to deal with before you leave, friends. First, the Committees are meeting as follows: Committee A will meet tomorrow at 8.00 am in the hotel over breakfast; Committee B will meet here at the conclusion of today's business; Committee D will meet in the Britannic Room at 5.30 this evening; and Committee C will meet in the Britannic Room at 9.00 am tomorrow. Secondly, I remind you that for this evening's dinner, a bus will leave the hotel at 7.05 pm for the reception in City Hall, followed by dinner at 8 pm.

The sitting was suspended at 5.32 pm.

Tuesday 24 October 2006

The sitting was resumed at 10.05 am.

BUSINESS REPORTS FROM CHAIRMEN OF COMMITTEES

The Co-Chairman (Mr Pat Carey TD): The Body is now in public session, so I would ask Members to please take their seats.

The first item on the agenda is Reports from Committee Chairmen. We have representatives here from each of the Committees. In case Members need to be reminded, the reports are meant to be short and to the point, not more than five minutes. I call on Senator Brendan Ryan to report on the business of Committee A.

Report from Committee A (Sovereign Matters)

Senator Brendan Ryan: Perhaps the most significant item is the introduction of British ID cards. We have submitted a report, which was circulated earlier to the British and Irish Governments. The Irish Government has said it is aware of the issues that we raised and is pursuing matters with the British

Government. A response was received from the British Government at the end of September, which has not been circulated as yet to Members of the Body, which the Committee will have to think about. The Committee has identified a number of issues, which have to do in particular with sensitivities in Northern Ireland, as regards having one's nationality printed on an ID card.

Given the Good Friday Agreement's vigorous defence of the right of Northern Ireland-based citizens to choose their nationality, the idea that one cannot do this appears somewhat contradictory. The British Government's response was that they had thought about the issues involved and were dealing with them sensitively. We cannot see, however, how the British Government will produce a statement that will avoid requiring people in Northern Ireland to have their nationality printed on an ID card. One may be Irish or British, but apparently the card will say one is British. If it is to be a British ID the card will say one is British. That is one matter that appears to me to be unresolved and the Committee will have to come back to the Home Office with it.

A second matter is the impact on the common travel area, to which the Home Office's response is that there is a virtually universal requirement now for a photo-ID to be produced. This is being done by all the airlines and the travel companies and therefore the ID card *per se* will not be a major new requirement.

The last line of the report deals with the matter of if and when the ID card becomes compulsory. The reply says compulsion in itself will require a further Act of Parliament and will not be applied to Irish citizens until such time as it applies to British citizens. The clear implication is that it will apply to Irish citizens, which, speaking for myself and I believe for most of the Irish members of Committee A, is a bit of a presumption. I know the Committee's view from the beginning has been that there are complications associated with this issue that have not yet been fully addressed or thought through by the Home Office, which we will have to come back to again.

The other issue of concern to Committee A is the future of this Body in the context of the St Andrew's Agreement and the possibility of a final settlement. There are legislative or legal as well as organisational complications as to whether the level of representation in any Northern Assembly will be dealt with by means of an increased number of Members of the Body or by a reduction in the numbers from the two sovereign Parliaments in particular. Then there is the question of the name of the Body under any future settlement and the relationship between it and the British-Irish Council.

The Good Friday Agreement suggests very strongly that the British-Irish Council ought to have some relationship of implied accountability at least with a parliamentary body such as this, but that has not materialised. Committee A believes that so many other matters might be close to resolution that the need for a form of accountability, reporting or some degree of formal interaction between this parliamentary Body and the British-Irish Council is a matter of urgency. The Committee is working on a proposal for the future of the Body, to be passed on to the Steering Committee and then to the Body.

The Co-Chairman (Mr Pat Carey TD): I thank Senator Ryan. As he has said, that last item will be considered by the Steering Committee at its next meeting. I now ask Mr. Robert Walter MP to give us the report of Committee B.

Report from Committee B (European Affairs)

Mr Robert Walter MP: I thank the Co-Chairman. The Committee met last night in this hall and there was a very good attendance - the largest I have ever seen for this Committee. I will report briefly on the activities of the Committee. Colleagues will recall that at the Killarney plenary session there was a debate on European funding of socially deprived areas in Northern Ireland. That is still very much work in progress. However, we anticipate a final report will be ready for the next plenary conference. Also, work is in progress in the matter of a report on European Security and Defence Policy and how it affects our two nations. This is quite an interesting report. The statistics for participation in international missions - whether European Union, United Nations or NATO missions - reveal that the level of participation by each of the two countries is roughly the same on the basis of their respective populations. This is quite an interesting study and I hope we will be in a position to present a report on European Security and Defence Policy at our next plenary in Dublin in March.

Then the Committee is looking forward to what it might consider after the production of these two reports, which are very much works in progress. The Committee discussed last night the matter of reviewing the social and economic consequences of EU enlargement, in particular the migration factors

and how they might affect the attitudes of our two respective Governments at the European Council towards the subject of EU enlargement. That is something we anticipate reporting on at the plenary following the next one in Dublin. That, as concisely as possible, is my report.

The Co-Chairman (Mr Pat Carey TD) I now call on Deputy Seamus Kirk TD to report on the work of Committee C.

10.15 am

**Report from Committee C
(Economic)**

Mr Séamus Kirk TD: For a whole range of reasons it has not been possible for us to organise Committee meetings as regularly as we had hoped. Nonetheless, we have resolved to intensify our efforts between now and the plenary conference in Dublin.

The subject under consideration at the moment is renewable sources of energy. It is a fascinating area, having regard to what has been happening in the world of energy needs at every level, in terms of industrial, domestic and commercial usage. We have been examining such areas as the potential for wind power, bioenergy, wave and tidal energy and decentralised local energy.

The suggested meetings will revolve around a visit to a wind farm and we are looking at the possibility of visiting a biofuel plant in Bedfordshire. Hopefully, we shall visit some of the faster flowing rivers in the Scottish Highlands to see what the possibilities are for site damming. We are planning to look at the horticultural research centre in Armagh, which is in the business of producing and harvesting willows as rapid growing timber products used in the energy sector. We are also planning, of course, to have meetings with officials from the Department of Communications, Marine and Natural Resources as well as the Department of Trade and Industry. Given the importance of the subject we are hoping to spend as much time as possible on it and to examine the sector thoroughly.

We have definitely decided on a visit to Scotland by the end of November. Ms Helen Eadie MSP has facilitated a visit there for us and we are grateful to her for this. We hope to visit the Derry/Donagall region towards the end of January where there are a number of items worthy of examination, which should contribute to our work. A Committee meeting was held earlier this morning, which was attended by a joint delegation from IBEC and the CBI. They made a submission to us on transport links, not alone on this island but in England, Scotland and Wales.

Energy appears to have all the hallmarks of a fascinating subject, having regard to the whole economic thrust currently taking place in Ireland and, of course, in the UK. It is an area that cannot be quantified at this point, however, as regards how the Committee can help, except that Committees in the Oireachtas, the House of Commons and the Scottish and Welsh Parliaments recognise that it is a subject that requires examination. The potential benefits from co-ordination and co-operation in this general area are very considerable.

Members of the joint delegation expressed themselves satisfied with the meeting. Our Committee will naturally be meeting again to see whether we can be of help or accelerate any developments in that area. Some of the statistics produced by the delegation were very interesting, reflecting the trade volumes that are being carried on our roads, the need to upgrade and invest and to examine port outlets both in Ireland and in the UK. It is a subject I imagine we shall be revisiting between now and the next plenary.

The Co-Chairman (Mr Pat Carey TD): I thank Deputy Kirk and now call on Lord Dubs to make a brief statement on the work of Committee D.

**Report from Committee D
(Environmental and Social)**

The Lord Dubs: I thank the Co-Chairman. The main work of Committee D has been the life chances report, which is the next item on the agenda. In the meantime I shall indicate one or two other things we have done and the way we are going. The next study, which has been agreed by the Committee, will concern the Irish community in Britain. We already have set dates for meetings in November and January — meetings with the Embassy, the Dion Committee and the Federation of Irish Societies. We want to visit health and local authorities and to talk to central government officials to see whether they

are sufficiently aware of the situation among the Irish community and whether they have strategies to deal with the difficulties facing that community.

That is quite a big task. With the Irish elections coming, we are advised it will be difficult for Irish politicians to do very much after March. We want to finish the fieldwork by March so that the report can be drafted and no momentum is lost. If the fieldwork extends into the autumn, after the Irish elections, we shall lose all the momentum. We shall work on it fairly intensively over the next few months and I am grateful to the members of the Committee for putting extra effort into that.

We have done two other things without the whole Committee being involved, but with its full support. I had a meeting with the British census people and the federation to see whether there were ways the next census might measure the Irish community in Britain more accurately. The feeling is that the Irish community in Britain is under-represented. This has all types of repercussions in terms of the perceptions by public bodies, lack of parity and so on. I had a meeting with the federation's representatives, who were reasonably happy and they suggested some questions for the test census, which is to take place in 2007. In the light of that the federation may wish to make further representations to see whether we can improve on the type of questions. The difficulty is that a census is very costly and the census people tend to resist the addition of extra question. Nonetheless, the federation was reasonably happy. We had quite a long meeting at the Office for National Statistics some time ago.

The other issue concerned the difficulties facing elderly Irish people living in Britain who want to return to Ireland. On behalf of the Committee, two of our members, Mr Johnny Brady TD and Senator Paschal Mooney, had a meeting with Mr Noel Ahern TD, Minister of State with responsibility for housing, to discuss this. Further work needs to be done, as it is quite a large issue. There are difficulties about informing elderly members of the Irish community of the opportunities that exist and ensuring that agreed initiatives work well enough, given that such people who leave their homes in Britain are technically not homeless if they go to Ireland. I am grateful to Mr Johnny Brady and Senator Paschal Mooney for what they have already done.

The Co-Chairman (Mr Pat Carey TD): That takes us to item 2, which is the Committee D report on life chances. I call on Lord Dubs to move the motion and formally open the debate.

REPORT FROM COMMITTEE D: LIFE CHANCES

The Lord Dubs: I beg to move

That the Body takes note of the report of Committee D on "Life Chances" [Doc 121] and of the conclusions and recommendations of the Committee, which should be forwarded to both Governments and the devolved Administrations for their comments.

We found this an interesting topic and we had a number of meetings in Belfast with agencies, NGOs, Government Ministers and so on to see what we could learn about the very difficult position facing young people in some of the most deprived parts of west and north Belfast. The report has a number of recommendations. While we were commencing it, in March this year, the Government announced an extra £61 million for the Northern Ireland children and young people's funding package. We wanted to get in quickly, and Members will recall that it was agreed at the last plenary session to send the report to Government before this Body had endorsed it. This was so that the Government would at least be aware of our thinking before it decided to spend £61 million.

We also had a meeting with Mr David Hanson MP, Minister of State for Northern Ireland and one of several Ministers involved in this. It was a useful meeting, and he was quite sympathetic to what we were saying, although he did not give us a formal response. If the plenary conference adopts the report, we will send it to both Governments. One of our conclusions is that there should be greater emphasis on pre-school education. Obviously, things have to be done for older young people as well, but if the very young children are not looked after, it will be pretty difficult to do remedial work with them later on. We want more focus on Sure Start and other pre-school education programmes.

We also recommend that the Government should do more to encourage the best teachers to work in the more difficult schools. Greater emphasis should be put on apprenticeship-type training in practical trades. There is a difficulty with drug addiction and there needs to be more counselling. There is an alarmingly high suicide rate among young people and, in this regard, we believe that there should be greater mental health support for those who are vulnerable and at risk.

Baroness Blood was extremely helpful in advising the Committee, in facilitating meetings and in coming with us to some of them. On behalf of the Committee, I thank her very much indeed for what she has done to make our work more productive. I should also like to thank the many people and agencies in Belfast who were very welcoming, told us all about their difficulties and gave us much of their time. I believe it is a very useful report, and we hope that it makes a difference to some of the most vulnerable people in Belfast.

10.30 am

Baroness Harris: I thank the Co-Chairman. I offer warm congratulations to Lord Dubs and his Committee and of course to Baroness Blood, who probably understands more about the issues underlying this report than anyone else. It was a very troubling report to read. I read it and, in horror, underlined some of the findings.

I am very pleased that we allowed the Government to see the report, even before it came before this Body. I would encourage the Government to take it extremely seriously and to look very carefully at its recommendations. Certainly, one of the areas that stood out for me was the community and voluntary sector, which we were told is very strong.

There is uncertainty throughout about short-term funding. One of the items that stood out for me was the leadership issue. As we saw yesterday, there are clearly some fantastic leaders within the community and voluntary sector in Northern Ireland, which, as the report says, is led by individuals who are exceptionally entrepreneurial and inspirational. Such leadership is hard to find, however. I suggest that people who show such entrepreneurial spirit should be brought together. The formal quangos, which actually get the money to try to make the improvements, simply do not seem to have kick-started the initiatives that are desperately needed to bring Northern Ireland to the starting line we heard about yesterday.

As Lord Dubs told us, there is great concern that youngsters in deprived areas think more about joining paramilitary organisations than about getting a job, let alone a sustainable career. Something really has to be done about that. It is very important that young people are given an opportunity to work and modern apprenticeships need to be created at every development level. Whatever is going on there should be a commitment to a percentage of young people being trained in a range of skills areas. I was very disappointed to hear yesterday about the 40% of children who leave school functionally illiterate. If there are 50,000 spare places in schools in Northern Ireland, that suggests there are more teachers — or perhaps they have reduced the number of teachers in order to cut the places. However, if there are more teachers for fewer children, why is the achievement rate so low?

This report highlights a wide range of areas that need very careful Government consideration, and I commend it. It is an excellent report. I thank the Co-Chairman.

Baroness Blood: Before I talk about the report, I want to thank the Chairman and the Committee, and not just for putting the time in. I put an intensive programme in place for them. I was so anxious to show them everything that their feet hardly touched the ground. I did not want to show them just the warts, but what was good along with the not so good. I want to thank them for their time and expertise. One of the things said to me afterwards by a number of groups that the Committee visited was that at least somebody was listening. Sometimes, when one is at the sharp end, one believes no one is listening and one thinks that one is banging one's head against a wall. One gets short-term funding, implements some changes and, six months down the road, they are gone.

Yesterday we heard Ms Patricia McKeown talking about suicide. I am in the unfortunate position of living in what is technically known as the suicide capital of Northern Ireland, that is north and west Belfast. Yet when funding was allocated for this issue in particular it was spread right throughout Northern Ireland and every group got the same amount of money. I am not suggesting other groups in Northern Ireland do not need funding, but there is an intense need in north and west Belfast. Every weekend, there are suicides. Recently, two young brothers — one was 31 — committed suicide within a fortnight of each other. Imagine what that must be like for that family. It is bad enough to lose one son, but to lose two is particularly tragic. This is the type of issue we are grappling with in this area. Other areas in Northern Ireland have a similar problem, but I suppose north and west Belfast just highlight it. I thank the Committee for its expertise in particular. Many good ideas emerged out of the Committee's visits and many people took on board what was said to them. Sometimes when one has delegations from Parliament in particular, and from the South, one gets the feeling they are just looking in through a

window and moving on. This Committee, however, proved that did not happen and the report indicates that.

I also thank the secretariat, which must have dealt with hundreds of pieces of information. These are so well captured in this document, which is very well written. I could not have written it better myself. I also thank both Governments, who have listened. As Lord Dubs said, the new children's funding package is now in place. The Government in the South of Ireland has been particularly responsive in some areas. Believe it or not, we have found it hard to get funding in Northern Ireland for projects, which the Department of Foreign Affairs in Dublin has supported. I run an extensive fathering programme, as I believe parenting is not just about women. We have been working very hard with some 70 young men, in fathering, and that is being funded by the Department of Foreign Affairs in Dublin. We are very grateful. We are grateful, too, for the interest shown in children's and young people's issues. However, as Lord Dubs said, if we dig right down into this report, the one thing we must do is start right at the very beginning. Pre-school education is so important. It is crucial to get access to families from the day a child is born, to set up a whole new culture and new thinking. That is what we are attempting to do with our Start Sure programmes. I am very grateful for Government support in that regard and we are working with these programmes. Hopefully, this report will go to Government and we shall see some results. Again, I thank the Committee. As I have said, I got not have written a better report myself.

Deputy Alan Breckon: I want to add my congratulations to those already given to Lord Dubs and his Committee. On reading it one can see that there is much that lies behind the report. In its eight pages it encapsulates many of the ongoing problems that Baroness Blood is obviously more aware of than most of us. There are some very real life issues for communities in the report. It highlights the fact that sometimes money is targeted, but not always effectively, and Baroness Blood has given us an example of how that might be. It also says that money is not making a sufficient impact. Through its recommendations people will come to refocus on some of the everyday problems that have become very real for people.

Yesterday, one of the guest speakers commented that although the West Belfast and Greater Shankill Task Force report was published in January 2002, and its recommendations had not been acted upon. That is, perhaps, where people disconnect. If somebody writes a report and makes recommendations and nothing happens, people switch off and wonder who, if anybody, is doing anything for them. Perhaps the visits have given a degree of help to some people, and that is all well and good. However, there are some conflicting messages as well. As Lord Dubs said, some £61 million has been allocated over the next two years. However, this was a short-term initiative and was set against the reduction in funding for education. If we are going to do provide funding, we must make it sustainable. The report also suggests that the solution might be to bring services to the community. That is a possibility, and I intend to address that in a moment. The report praises the strong community and voluntary sectors and their excellent work. In many instances, these are the people who know the issues. There are lessons to be learnt from this upon which the British Government could pick up. The report also refers to the phenomenon of a third generation that is disconnected from education and depends on benefits, and the need to break that cycle. That is why early years provision is so important. Again, Sure Start and the other education programmes are to be welcomed, but they must be sustainable and ongoing. They need to be mainstreamed as part of the education process and they must not be short of funding. Some of these issues were raised in the Questions that were tabled yesterday.

Also yesterday, there were press reports about possible school closures. Head teachers were suggesting that schools could provide more than education. They could act as community help centres and provide other activities. We are in favour of extending the use of education facilities into the community so that parents and their children can access them. The report also refers to the need for better parenting skills. Some of this is related to low educational attainment. These are ongoing issues that must be addressed in their early stages.

The report also mentions the many young women who are lone parents and the fact that child-care facilities must be improved. That is a lifestyle issue, too, and some of the education programmes could possibly be linked to child-care classes in local schools.

The report touches on the success of youth clubs. Once again funding is an issue, and we cannot expect people to do things that will benefit the community if those measures are not properly resourced. It was particularly critical about Government inaction on some previous reports, which seem to have been left to gather dust. The report is right to say that long-term projects can take time to develop.

In Jersey, incidentally, a community school that was due to close has been developed as a hub for social activity in the community. There are services available there for housing and health, including midwifery. There is a link to the further education college so that literacy and numeracy problems may be dealt with in a sympathetic manner. It also has mother and baby and toddler groups. Social workers operate from the same centre and health visitors are based there as well as child-care and probation services. If people are vulnerable, they at least know that this hub is situated within the community. As a result, parents are coming forward to volunteer to train as leaders for a youth club based in the same centre. There is a drop-in centre there too, and access to computers. This is an example of how schools earmarked for closure can actually be used to serve the community. I spoke to Baroness Blood yesterday who said that she faced difficulties in that regard because the education authorities did not want to do this and would prefer to knock such schools down. There is a need for joined-up Government here for the benefit of the community.

Recommendation nine of the report is particularly relevant because it states that schools, where possible, should plan for a wider role. I congratulate Committee D and am obliged for the opportunity to comment on the report.

10.45 am

Senator Brendan Ryan: I am always conscious at meetings such as this, with people present such as Lord Dubs and Baroness Blood, that I am literally talking about teaching my granny to suck eggs. This is obviously a good report, but it is extremely upsetting. The contrasts in the figures for 11-plus success rates alone are depressing. It is easy to appreciate how the horrific suicide figures could grow out of branding 5% of the children in a given area at 11 years of age as academic failures. I have already expressed my views on that.

One thing that the Body could do is support this report. However, it is time that we all reflected somewhat, because in the culture in which we live, both in the United Kingdom and the Republic of Ireland, certain phrases are used without a second thought. These include "the need to reward effort". We use such phrases when we are really talking about the need to reward success. As we know, not just in Belfast, but in every city on these islands, astonishing people are making gargantuan efforts and attaining incredible achievements while being completely unrewarded because they are not successful in the manner as currently defined. There is a great need to get away from this lest we work ourselves into a society in which we believe some form of competitive bidding is needed in most matters. Competition requires losers as well as winners. If society decides to construct itself in a manner where how one competes is how one is measured, people will, by definition, be branded as failures. We are going to say society needs failure as well as success in order that those who succeed can feel they are being successful.

There is a community such as the one described here in every large city in Europe. I fully accept that there are unique qualities here to do with paramilitarism, history and all sorts of issues. What this report should bring about first of all is a call to action. It is astonishing how slowly Governments respond to matters such as these. One of the recommendations is that:

"The most successful teachers should be encouraged to apply to those schools which deal with the hardest children (and they should be rewarded financially for doing so)."

For most of the good teachers I know, it is not the fact that they should be paid better for working in difficult circumstances that frustrates them but rather that the whole system cannot respond with any type of coherence to their needs. If they want to use the schools or syllabus imaginatively to deal with children with multiple deprivations, they find that the system is rigidly inflexible and will not respond. Although they will never refuse more money, it is the least of their concerns. Primarily, they want to be rewarded professionally and this can only be achieved if they are supported and allowed to do their job, not just paid more for working in deprived areas.

I am somewhat bothered by the tone of some of the official pronouncements about empty places in schools. There is this vision of a teacher standing in front of a class filled with empty chairs. Somehow there will be a huge cost involved in moving out those chairs. This means, in effect, that there are a large number of classes where the approved pupil:teacher ratio is not being met. This is an argument for changing the pupil:teacher ratios, not for reducing the number of teachers, particularly in those areas of greater need, and there is a great opportunity to redeploy resources. However, when I hear Governments talking about surplus places in primary, secondary or third-level education, I read cutbacks in resources, not redistribution.

It is extremely important, in whatever is to be done about duplication, overlap and denominationalism, that what is involved is a redistribution of educational resources and not cutbacks, on the grounds that it can be done more efficiently.

Mr Seymour Crawford TD: I thank Lord Dubs and his Committee for doing an excellent job. At the Kerry plenary session, I commented on my anxiety concerning the whole issue of people in deprived areas and the fact that they were becoming involved in paramilitary groups and we needed to deal with that. Certainly, this report proves the point, but it also shows us a way out of the problem.

Baroness Blood talked about the suicide issue. That is a real problem and our Governments are not taking it seriously. It is not just the effect on the immediate family that is at issue but the impact on the entire community. As she inferred, there are often copycat-type incidents where a brother replicates a suicide act a couple of weeks later.

Deprivation is not the sole problem that we encounter. As one of a number of politicians in my immediate area, we, along with everyone else, had to deal recently with the tragic death of five young people in our locality. There were four on that night, but a fifth, unfortunately, has died since. This incident was caused to some degree by affluence and the fact that these young people were able to go out and enjoy themselves, with no shortage of money and all the rest. One has to ask, as a young priest did last night on television, what we can do about all these issues.

As the report points out, there is the issue of problem parenting at community level as well. If young people do not get the leadership that they should from people in the community, it is very difficult. They learn from what is going on around them, and that is where everybody in the community has a role to play. The whole issue of family breakdown, too, is relevant. What can we do, as a community, or what can the Governments do? It is quite clear that much of the problem comes down to education.

Ten years ago, I recall being on a study tour of the area covered by the report. I met a local parish priest who was leading the effort to deal with the issue of apprenticeship through funding from the International Fund for Ireland or some such body. A training group was in place and it had agreement from local employers who promised to take on 16 people. At that stage, the problem was to actually get 16 people in the parish to become involved in the apprenticeship scheme. It is not just a question of tackling young people from pre-school upwards but getting the message across to parents and guardians to ensure that whatever is on offer is availed of properly.

I congratulate the Committee on its study and would urge the Governments to examine very carefully these issues and the report's conclusions. If we ignore these issues, many of those young people will create the problems of the future, maybe not along the lines of paramilitarism, as in the past, but in respect of other problems that we all want to minimise. There is a need to start at the earliest possible date and, in this regard, pre-schooling is extremely important.

Baroness Harris raised the last area that I want to mention: namely, the requirement to fund those who are giving proper leadership where there is real need. That must be done because, very often, moneys go into quangos, which are not as committed as individuals who are prepared to create a leadership structure. This cannot be ignored and funding must be allocated in a proper manner.

Mr Johnny Brady TD: I wish to congratulate Lord Dubs on his report and for organising our trips here to Belfast on two occasions. I should like to be associated with other Members in paying tribute to Baroness Blood for her tremendous work, as seen in the different places to which she brought us.

It was a very heavy programme on the first day, as Baroness Blood said earlier. There was not even time for a cup of tea. We were better organised on the second day when we were separated into two groups. This enabled us to meet a great many people in different groups. Some of the things that we saw and were told horrified me. Coming from a rural constituency with just a few small towns, I had never seen the likes of this before. It was very depressing to be told of young people aged 12 and 13 who, when asked about their future and what they wanted to be, said that they wanted to be paramilitary leaders and drug dealers. Unfortunately, they have had no other role models from the time that they were born. Hopefully we have moved away from that.

I, too, wish to compliment the agencies, the voluntary leaders and so forth on the tremendous work that they are doing. Over the two days, we met many groups, and I do not intend to repeat what has already been said, except to say that the continuation of funding was seen to be a major problem. Many of the

different groups were dependent on the British Government in this regard — and, hopefully, their expectations will be realised soon — and they said local politicians in Northern Ireland should be making the decisions.

Again, I thank Lord Dubs and Baroness Blood for being the leaders over those two days and for showing us the problems that exist in all those areas. Hopefully, something will come out of this report, which is very good, despite the fact that there are so many depressing matters in it. I trust that both Governments will now act and that Northern Ireland will have its own Government very soon.

Mr Elfyn Llwyd MP: The findings of the report could apply to most towns in England and Wales as well. For example, Baroness Blood referred to suicide. It is a recognised phenomenon among young men. In the rural and rather beautiful constituency that I represent, we also have a major problem with young men committing suicide. I am not sure where the answer lies, but clearly it is something on which we all need to concentrate.

As I have said, the report could be a description of a great many places in England and Wales. Three or four years ago, I went down to the South of Ireland to Tallaght and Ballymun, and many of those problems exist there as well. What sets this report apart, however, is the intensive nature of the problems that it highlights. The report refers to virtually all the problems that may partially exist in other places. It is a big mountain to climb. The report makes painful reading, but, obviously, it is a valuable piece of research and its recommendations are important.

11.00 am

Take the drugs problem, for example. I do not know whether enough work has been done on the obvious link between the new type of cannabis and paranoia. I have always taken the view that we need to place peripatetic teachers and advisers in primary schools very early on to try to teach youngsters the dangers of dabbling in these drugs. Let us not beat about the bush — the new type of cannabis is not a benign drug by any means and can directly cause mental health problems within a very short space of time. We need to concentrate on that issue as well because obviously a mental health problem exists in this area. One constituent of that, I believe, will be over-indulgence in the new type of cannabis, and so on.

The other obvious problem is that there is a generational issue here, where parents have low self-esteem, low educational attainment and no work ambition. That ethos, as it were, has been passed down to the children. It is very important to concentrate now on non-academic training courses for plumbers, builders, electricians, etc. This is very important because such an initiative could turn things around and give youngsters an ambition in life, which is now lacking. Reference was made earlier to modern apprenticeships. These too are a vital component and require urgent action.

Unless we are able to fill the obvious vacuum in which these young people exist they may still be tempted along the road to paramilitarism, which no one wants. I hope that the report will serve as a blueprint and that its recommendations will be acted upon and dealt with urgently by both Governments. If only one half of the recommendations is actioned, it will make an enormous difference in Belfast, uplifting the quality of life for families and raising hopes for further lasting peace, giving people hope, a decent standard of living and some ambition in life.

With those few words, I applaud the hard work that has been done and congratulate the colleagues who have done it. I hope that the report does not gather dust on somebody's shelf and that it properly accepted and urgently expedited.

The Lord Glentoran: Although I am a member of Committee D, I did not participate in the compilation of this particular report. I have been involved in these areas, however, for 25 years, particularly in the Shankill area.

Wearing my millennium hat, we tried to set up a bursary scheme in the Shankill area. As Baroness Blood knows, we planned quite a big capital project in the form of a multi-purpose community hall. I have made visits to the Shankill with Baroness Blood in the past, for which I thank her.

I, along with a great many people who live and work in this country, in one aspect or other of public life, have been familiar with the basic message of the report. The great thing about the study is that it is extremely succinct and well-presented. It gives 18 sound, solid and real recommendations. It has authority, partly because of the people who gave evidence and because of the leadership of Lord Dubs,

but most importantly, perhaps, because it is the work of a subcommittee of the British-Irish Inter-Parliamentary Body.

One reason why I admire the people who work in the community in the Shankill area and west Belfast is for their stamina. People such as Baroness Blood and her colleagues have been working in one direction or another for many years, but the breakthrough has not happened. I want to know what Government is going to do to change the situation. We want a response to these recommendations quickly, not in three years time. The Secretary of State said that £61 million has gone to those areas. How is that money going to be spent and what is going to happen to it? Committee D and those who have produced this report deserve a quick response, not just waffle, with the next meeting put on the long finger for a year or even six months. We should have the report back from the relevant officials within three months at the latest. In addition, we should agree a programme of action on how the report's recommendations are to be implemented and on how matters will be changed.

I am not being cynical, but, living in this country, we have long known about the low literacy levels in the Shankill Road, as well as problems of incest and criminality. We have known about the control that various paramilitary organisations exercise over schools, teachers and parents and we have known of the difficulties faced by young couples who have children and are not sufficiently well educated. We know that there have been at least three generations of unemployed people in families living together in these areas with no possibility of a future for the fourth generation.

Nobody has succeeded in doing anything about it. Paramilitarism is supposed to have stopped. It was extremely difficult when there were guns, gangs and full-scale terrorism. Terrorism is now supposed to have stopped. There are no more terrorist fights across the peace line, if we can believe what we are being told by the DUP and Sinn Féin, as well as the Protestant and republican paramilitaries.

The main purpose of my address this morning, however, is to say that we should be demanding a response from the Government now.

Senator Terry Leyden: Lord Dubs has given tremendous service by chairing this Committee. I have met him on two occasions in Belfast and these were most enlightening visits. With the access facilitated to us by Baroness Blood, who has such knowledge of the area, it was very good for us to be there and to have direct contact with the organisations on the ground. I commend the report to the Body. I commend also the work of the Committee members, as well as that of the secretariat in pulling together all the ideas and discussions that took place over a considerable period of time. I trust that it will be adopted unanimously.

As a Senator from the Republic, I was gratified to learn of the high esteem in which our Department of Foreign Affairs is held in these deprived areas, and that it has been providing funding. Officials from the Department have made themselves very accessible and have been willing to support projects not just verbally but financially. I commend them for that particular work and wish them continued success. To fully implement this report, a devolved Administration in Northern Ireland is necessary, because it is vital to have people on the ground. It emerged clearly, as we met the different groups, that there was a lack of continuity in decision-making as regards funding. Good projects are up and running, and Baroness Blood showed us many of them. However, in many cases, people do not know whether funding will be in place next year and the future of these projects is insecure. The funding of projects needs to be ring-fenced. If they are considered good enough now and produce results, they should be mainstreamed and the funding properly underwritten.

The first item on the agenda for the new First Minister, Deputy First Minister and Executive of the Northern Ireland Assembly should be this report. In the meantime, I support what Lord Glentoran has said in that we have to see how the report is implemented. There have been many cases of reports being done on different areas and never implemented. This fact emerged in our discussions with the different groups. We should have ongoing discussions with the Secretary of State, the Northern Ireland Ministers and whatever local authorities that can assist us, so that we can continue to lobby for the report's implementation in the short term rather than the long term.

In the event, even in advance of a devolved Administration, that there are many projects that we can see coming to fruition, this Body will have provided a tremendous service. Baroness Blood was correct to say that people felt that they were not being listened to and did not have an opportunity to put their case. Now they have been given the opportunity, particularly since the Chairman is a former Northern Ireland Minister, with a tremendous interest in the field, added to the cumulative experience of the Committee's members as public representatives.

We shall have failed them, however, if the report is not implemented and if it does not achieve real results.

Mr Jeff Ennis MP: This has been a very interesting and important debate on a significant report. As a member of Committee D, I can say that it is one of the most important reports that we have completed, alongside the one we carried out on autism two years ago, which was very well received in both jurisdictions.

It certainly was a privilege to be chaperoned by Baroness Blood. There is no doubt that she is very well respected on both sides of the political spectrum in these very divided communities.

Baroness Harris kicked off her opening remarks by underlining the importance of the report. She focused on the uncertainty of the short-term funding of many of the voluntary schemes and stressed the need to better foster community leaders in these deprived areas.

Baroness Blood thanked members of Committee D for their input. She certainly kept us very busy during our visits, and I can confirm that our feet did not touch the ground. She mentioned how grateful the local groups were to see people from outside their own insular communities — from all parts of the UK, including the Channel Islands — because they listened to their problems.

Deputy Alan Breckon stressed that short-term funding needs to be made sustainable and said that there was a need to break the benefits dependency culture, which was very prevalent in the communities. He said that schools should provide extended facilities outside the normal working day to become better community centres, involving local people in extra-curricular activities.

Senator Brendan Ryan made a very good philosophical point: namely, that we need to reward effort, not just success, in local communities, and he argued that there should be greater flexibility in the education system for the benefit of the social situation in those areas. He also made a valid point about the number of surplus places in schools in Belfast and throughout Northern Ireland, which could be used to better the pupil:teacher ratio in deprived communities. Obviously, this will require funding and it is something that the Government need to consider.

Mr Seymour Crawford TD said that paramilitary involvement had added to the levels of deprivation, as well as the suicide rate, in these communities, and he referred to the knock-on effects in terms of antisocial behaviour such as joyriding. He stressed the need to invest in pre-school programmes such as Sure Start and said that we need to foster community leaders better.

Mr Johnny Brady TD, who accompanied the Committee on its visits, noted how busy we were on the programme and said how shocked he was to see that the horizons of so many young people were so limited. He said that some of them viewed their career options as choosing between becoming paramilitary leaders or drug dealers. He emphasised that drastic change is needed to brighten up young people's aspirations in these communities.

Mr Elfyn Llwyd MP made a comparison between the deprived communities and the high suicide rate in his rural mid-Wales constituency. This is, therefore, not just a problem that can be associated with paramilitary activity, but can have wider social implications. He also focused on the need for better drug awareness programmes, particularly at primary school level, and the need to concentrate more on vocational education at secondary level.

Lord Glentoran said that it is a very sound report and that all 18 of its recommendations are worthy of serious consideration by the British Government. He applauded the stamina of community activists on both sides of the political divide and the staying power that they show in the local communities that they represent. All members of Committee D would echo those particular sentiments. He also stressed that we want an urgent Government response to the report, as did one or two other Members, and that is obviously right. That is why Lord Dubs sent the report early to the Minister, David Hanson MP, so that we can get a response as quickly as possible to try to get some remedial initiatives in place for those problems that have not yet been dealt with.

Senator Terry Leyden, also a member of Committee D, praised the report as well. He underlined the need to establish the devolved Administration in Northern Ireland, so that it could deal specifically with the problems. We can endorse and echo his remarks in this regard. He mentioned the fact that we need to mainstream the funding of the voluntary sector in those communities, a point made by several

Members.

I will close by adding one or two of my own thoughts, which I would, briefly, like to enlarge upon. We have mentioned the Sure Start investment programme. Following on from the point made by Mr Elfyn Llwyd MP, it is important that we focus very specifically on the education agenda for the 14-19 age group, particularly adolescent boys, and provide them with more vocational opportunities. I am not just talking about vocational GCSEs, but other exam structures, such as the BTEC programme, which is focused much more on practical activities. We also need to foster the links between secondary schools and further education in Belfast so that there is a better bridge between further education and secondary education in the community.

At a meeting we had with the Minister, Mr David Hanson MP, he mentioned a pre-apprenticeship scheme for 14-16 year old boys while they are still in mainstream education. That is the type of scheme to which we need to give serious consideration. The point was made yesterday that, with modern apprenticeships, there is need for much more involvement and help from the private sector. Mention was made of the Bombardier apprenticeship scheme, for example. We need many more initiatives such as this in the community.

As far as I am concerned, this is an excellent report. All 18 recommendations are very worthy of consideration by the Government. As someone has already said, if only half of them are implemented, the life chances of youngsters in those very deprived communities will be enhanced quite significantly,

The Lord Dubs: I should like to make one extra point — or rather, I shall cheat and make three. I am very much encouraged, as I am sure the Committee is, by the very positive response in all the contributions. I take note of the fact that action must follow or else there was no point to doing the report. I notice that the resolution talks about forwarding it to both Governments and the devolved Administration. We have not got a devolved Administration as yet, so I do not want it to get lost between the Directorate and the future devolved Administration. I believe that we should send the report to the MLAs, too — or certainly the Belfast-based MLAs — even though they do not have any official status as yet, so that they may be aware of what we have done. That might ensure somewhat more continuity, if that is all right.

Finally, I want to reiterate my thanks not just to Baroness Blood, but to Ms Audrey Nelson, who did much of the work in drafting the report, and to Ms Elaine Hollowed on the Irish side, who gave her much help.

The Co-Chairman (Mr Pat Carey TD): I thank Lord Dubs. We shall find a way of getting the report to the relevant people in Northern Ireland. I should like to take up on what Lord Glentoran said on what happens to Committee reports such as this when they leave the control of this Body. I agree that that needs to be looked at by the Steering Committee. We shall review the situation and report back. It is great to produce good reports and worthy documents. However, if they are put on a very high shelf in some Minister's office, without any report being made to the Body at a future date, much good effort would have been wasted.

Question put and agreed to.

Resolved:

That the Body takes note of the report of Committee D on "Life Chances" [Doc 121] and of the conclusions and recommendations of the Committee, which should be forwarded to both Governments and the devolved Administrations for their comments.

11.15 am

SUBMISSION OF MOTIONS

The Co-Chairman (Mr Pat Carey TD): We now move to item 3 on the submission of motions. There is a motion from the Steering Committee, which originated with Mr Andrew Mackinlay MP, which has not been amended, and I hope that the Body will accept it.

I beg to move

That Rule 16 (Inclusion of Motions in Programme of Business) be amended to reduce the notice period

for motions submitted by Members from four weeks to two and the number of signatories required from 30 to 15, to include signatories from three participating institutions (see Document 120 as amended).

Does any Member have a view on the particular motion, which was discussed by the Steering Committee? It was felt that it should be recommended to the Body for its unanimous support. Is that agreed?

Resolved:

That Rule 16 (Inclusion of Motions in Programme of Business) be amended to reduce the notice period for motions submitted by Members from four weeks to two and the number of signatories required from 30 to 15, to include signatories from three participating institutions (see Document 120 as amended).

ADJOURNMENT DEBATE

Motion made:

That the Body do now adjourn. — [The Co-Chairman (Mr Pat Carey TD).]

Deputy Michael W Torode: The fact that we are commencing this debate at 11.15 am and not 12.30 pm, as timetabled, means that I can use up the entire one hour and 15 minutes, I am sure. *[Laughter.]* For those of us who have not been regular visitors to Belfast, particularly in recent times, this visit has been a great eye-opener. Indeed, I popped in and out of Belfast when I worked for an airline — arriving in the evening, leaving in the morning — for some years, and I did not have much of an opportunity to see the Belfast that I have seen over the last few days. I am very grateful for that opportunity.

I am conscious of the privilege of being able to move the Adjournment motion on the first time that the BIIPB has met in Belfast. I note particularly that, because of the St Andrews Agreement, our next plenary meeting, if everything goes according to plan — and I am sure that it will — will take place just three weeks before the restoration of the institutions. We have all seen many steps being taken over the last few years, mainly forwards, with the odd one backwards, but over the last 18 months we have seen matters move in very much the way that all of us have always wanted them to.

I thank our Irish hosts for the way in which they have looked after us while we have been here. Dinner at the City Hall last night and the very warm welcome expressed by the Lord Mayor were much appreciated by all of us, and particularly by those who are strangers to Belfast.

I turn to the business of the Body. Let us cast our minds back to yesterday afternoon and to the very interesting and informative speech of the Secretary of State. There were some forthright and honest answers — and I would not have expected any less — to some very direct questions. That was a useful opportunity for all of us, but perhaps particularly for those who are not as close to the situation as some who are either living on this island or who are Westminster delegates. It is better for us to hear things directly, rather than read about them in the papers or pick them up from the television. I am grateful to the Secretary of State for his time and for the very clear way that he explained the situation.

During the last two days, Members have spoken on the economic situation, and addresses by Sir George Quigley, Peter Bunting and Adam Ewart have provided some mixed messages. However, in the main, those contributions were very strong, upbeat and optimistic about the future.

In the hands of people such as Sir George Quigley, commerce and industry in Northern Ireland can only go forward, particularly in Belfast. Hard-working and hard-thinking young entrepreneurs such as Adam Ewart mean that there is a sound future. From the trade union point of view, Peter Bunting mentioned some of the blacker areas, but even he realises that not everything is black and that much good work is being done.

The physical evidence of that progress is all around us. Although this magnificent building is more than 10 years old, it is a wonderful facility. Across the river, there is a superb residential development, and there are many other building projects in this city. The number of people in employment and the GDP are at their highest ever levels, and there is a massive consumer boom. If that is not evidence of economic regeneration, what is?

Members have mentioned the growing tourist trade, and the feelings of warmth, welcome and safety experienced by tourists in Northern Ireland. My wife and I arrived three days before the conference and

travelled north to Ballycastle, the Giant's Causeway and thereabouts. The warmth of welcome and the quality of service that we received was second to none. If that is an example of how Northern Ireland intends to build on its tourism industry, it is doing a first-class job.

If the St Andrews Agreement is grasped firmly with both hands, it will bring about devolved Government, and the peace and prosperity that this country richly deserves.

Patricia McKeown, Duncan Morrow and Michael Wardlow highlighted some social deficiencies. Twentyfive per cent of people leave school with poor qualifications; 37% of children are brought up in poverty; and there is an inequality gap of 37% between men's pay and women's pay. Those guest speakers demonstrated that they have not buried their heads in the sand. They recognise the problems and strive to remedy them with strong partnerships and integrated education, so that there can be a strong and prosperous shared future.

Committee D dealt at length with education issues, and Baroness Blood made much of pre-school education. That, in conjunction with yesterday's comments on primary education, recognises the fact that the future of this great country no longer lies in the hands of a few bitter old men, of whatever persuasion, but in the hands of bright, intelligent, well-educated young people working together for the common good. Michael Wardlow said that reconciliation is not a destination; it is a journey. That sentiment will stay with me for a long time.

An interesting and well-constructed programme was provided for Members' spouses. Their tour of Belfast included a visit to the Falls-Shankill peace line. For people who are not familiar with the real problems of Northern Ireland, that was a graphic illustration of the human tragedy shared by so many ordinary citizens. Many Members who do not live cheek by jowl with the problems of this country might have benefited from a similar visit.

The Adjournment debate is not just about history; it is also about constructive suggestions for the future. I like to think that my suggestions have been constructive. I am saddened that Members are so thin on the ground this morning — it reminds me of the Commons on a wet Wednesday.

The Labour MPs have been whipped back, and I understand that the Dáil is sitting and that the National Assembly for Wales is having a budget debate. Therefore, I wonder whether there might not be a better way of choosing our days for holding the plenary sitting. Since we already give up part of our precious weekends to work on Sunday, I ask the Steering Committee to consider allowing us meet on Friday or Saturday. Such a move has probably been suggested before and perhaps I am preaching to the converted, but it is something to consider, as these meetings are valuable and important. This second morning is not just an add-on to enable us to digest our breakfast cereal — there is real work to be done, so we should be able to change the days when we meet.

I thank the respective secretariats and their support teams, without whose sterling work our plenary meetings would not have been possible. Had they not led us by the hand, we would all have been walking around lost. They did a splendid job.

I also thank our two Co-Chairmen for the firm but friendly way in which they conducted the proceedings. I wish you all a safe journey home. Godspeed.

Senator Martin Mansergh: I wish to begin by commenting on the report of Committee A. One of the functions of the Body is to raise concerns to which those who have executive responsibilities can respond. My response to the report on ID cards is that the Governments share some of the Committee's concerns, but feel that others are not justified. One of the Committee's two main worries was how ID cards that show nationality would affect Irish citizens in the North or, indeed, in Britain. However, the reply informs us that ID cards that do not show nationality will also be issued, and there lies the bones of a solution. The Governments are conscious of the clauses in the Good Friday Agreement that deal with that issue. The question on both sides of the Body is whether we in the South must introduce ID cards.

11.30 am

The Tánaiste and Minister for Justice, Equality and Law Reform is non-committal on the subject of ID cards, and I suspect that that reflects the mood of the country.

Yesterday's session was one of the best BIIPB discussions that I have attended. That is perhaps

because progress has been made and further progress is anticipated over the next few months. Indeed, we are living in a period that is potentially exciting. However, the downside is that, in theory, one tackles all evils and gets rid of them at once, but, in practice, one tends to concentrate on the worst evil first, and work one's way down the list. That has been the case since the beginning of the peace process. However, even with the St Andrews Agreement and the improvement of relations at the top levels among parties and Churches and among those parties that previously would not talk to each other, two signs still exist that show that we have a society that is far from normal.

I attended a media conference in Dublin last Saturday at which I asked the editor of 'The Irish News' why that paper still publishes letters that are effectively anonymous, given that they are signed under pseudonyms. He said that although he was conscious that that was not a policy of newspapers south of the border, some people who had given their names had been subsequently found dead on a border road. I think that he was thinking particularly about Eamon Collins. Unfortunately, therefore, the protection of the anonymity of correspondents must be retained. I look forward to a Northern Ireland in which people can, within the limits of the law, say what they wish. In a democratic society, people should be able to do that without fear of physical retribution; however, unfortunately, that is not the case. Segregation is abnormal by any western European standards. Seventeen years after the fall of the Berlin Wall and of the Iron Curtain, walls still divide communities in this country. Normality will not exist until people are free to choose where they live; however, it is obvious that that is not the case. That principle was written into the Downing Street declaration with the consent of and using the words of a loyalist organisation. It is hard for us who are from outside this jurisdiction to understand the siege mentality of northern Protestants that makes them feel so strongly about territorial imperatives. Coming from a Protestant tradition in the South, I accept that bigotry exists on the other side of the fence. However, those evils, along with residual and continuing paramilitarism, are the next problems that must be tackled. Community feeling in some parts of Northern Ireland is still abnormal, and that must be addressed.

The Co-Chairman (Mr Pat Carey TD): Thank you, Martin. I shall leave the last word to Lord Peter Brooke.

The Lord Brooke: This is the second time in two days that my speech has followed Senator Mansergh's. That in itself is a privilege. My observations deal much less with the general subjects than with the practicalities of this Body's work.

When I moved the Adjournment debate in Killarney, I said that I thought that we perhaps might handle the questioning of our visiting speakers — be it the Secretary of State or the Foreign Minister — in a slightly different way so that we got through more questions more briskly. I am extremely impressed by the reaction of the platform because yesterday was an absolute model of good practice and we got through almost all of the questions.

Allow me to make a suggestion about the handling of the first morning of the plenary session. We have proceeded — perfectly understandably — on the assumption that if the Body continues after the setting up of a devolved Administration, we shall invite guest speakers to provide the backdrop and framework for the debates that we hold in the latter part of the morning. However, there is no question at all — as was demonstrated yesterday — but that that format does not suit the pattern of timing that we have historically used. I intend no criticism whatsoever of the platform in saying what I am about to say, but we did overrun by 40 minutes. We eliminated the coffee break and we still did not finish until 1.20 pm. That is nobody's fault, but we invited three guests to sit on a panel — although, admittedly, one did not make a speech — and we had 12 questions to ask them. There were three guests, and if each had answered every question, we would have been dealing with 36 questions. We shall find ourselves under time pressures, and some degree of limitation on how long a guest speaks, and some insistence that he sticks to that, would be helpful.

All of us come from legislatures that have rather stern time controls with which we are all accustomed to living. If we allow everyone who speaks to run over their allotted time, we shall run into problems during any future first morning. Sometimes a colleague who is asked to make four-minute contribution makes a seven-minute speech. A chunk of time was lost at the beginning of the sitting when one of the guests overran quite significantly. I make those suggestions for the Steering Committee to consider before our next plenary session. Otherwise, I thought that it was a most agreeable occasion.

The Co-Chairman (Mr Pat Carey TD): Thank you very much, Peter. Before we finish, I wish to join with Mike Torode and others in thanking everyone who has made this plenary session such a success. That success is down to Members and the support staff from both the Irish and the Westminster side,

and indeed, down to those in the background who quietly and efficiently get on with their jobs. I wish to pay tribute to the Waterfront Hall staff; their efficiency has ensured that everything has gone smoothly. I take on board what Lord Brooke said about the number of guests. Certainly, timing is a matter that we must examine.

On that note, I declare the thirty-third plenary session of the British-Irish Inter-Parliamentary Body closed. We shall meet again in plenary session in Dublin between 4 and 6 March 2007.

Adjourned at 11.38 am.

WRITTEN ANSWERS

TO QUESTIONS

The following questions were not answered during Oral Answers to Questions on Monday 23 October 2006 and accordingly received a written answer. The answers have not been subject to the normal Official Report process and are published as issued by the Secretary of State.

Ulster Canal

18. Mr Seymour Crawford TD: asked the Secretary of State for Northern Ireland and Wales what progress has been made in discussion with his Irish counterparts as regards the re-opening of the Ulster Canal; what are the implications for Waterways Ireland of the continued suspension of the Northern Ireland Assembly; and if he will make a statement.

The Secretary of State for Northern Ireland and Wales (Rt Hon Peter Hain MP): Scope for reopening the Ulster Canal continues to be discussed by me and at Ministerial level with our Irish counterparts. This project has considerable financial implications and officials from both Government jurisdictions are considering the options in detail.

International Monitoring Commission (IMC)

19. Mr Joe Sherlock TD: asked the Secretary of State for Northern Ireland and Wales if he will make a statement on the latest report from the International Monitoring Commission, with particular reference to the approach of Sinn Féin to the PSNI.

Rt Hon Peter Hain MP: The IMC's latest report confirms that the IRA is not the same organization it was three years ago. Specifically, the leadership of the IRA does not consider a return to terrorism in any way a viable option; and that it continues to direct its members not to engage in criminal activity. Importantly, the IMC assess that the IRA has disbanded its structures which were responsible for procurement, engineering and training and has stood down volunteers.

As for Sinn Féin, it is the view of the IMC that the leadership has accepted the need for engagement in policing and wishes to achieve it. The leadership has given public indications to this effect and efforts have been made to secure membership support.

North-South Healthcare Co-Operation

20. Senator Francis O'Brien: asked the Secretary of State for Northern Ireland and Wales what plans he has to commission a feasibility study on the potential for healthcare co-operation in the border counties, with particular reference to counties Monaghan, Fermanagh and Tyrone.

Rt Hon Peter Hain MP: The Belfast Agreement (1998) identified a range of healthcare services for north-south co-operation. Authorities on both sides of the border continue to work on the development of services in these areas.

Farm Retirement Scheme

21. Mr John Carty TD: asked the Secretary of State for Northern Ireland and Wales how many farmers in Northern Ireland have participated in the Farm Retirement Scheme; what is the average size of the farms concerned; what problems have come to light in respect of the scheme; and if he will make a statement.

Rt Hon Peter Hain MP: Northern Ireland does not operate a Farm Retirement Scheme. The possibility of such a Scheme was considered in 2002 and research was commissioned to investigate whether it was viable. However the research concluded that the costs of an early retirement scheme were likely to outweigh its benefits and on this basis a decision was taken not to proceed.

Fireworks

23. **Mr Johnny Brady TD:** asked the Secretary of State for Northern Ireland and Wales what proposals he has to harmonise the legislative position regarding the sale and distribution of fireworks.

Rt Hon Peter Hain MP: None at present. However, as is customary in Northern Ireland at this time of year, the overall situation on fireworks will be closely monitored in the period up to and including Halloween. This will inform a more in-depth review of the effectiveness of fireworks legislation, which is planned for a later date.