

## **LEONARD STEINBERG MEMORIAL LECTURE**

### **BUILDING THE FUTURE; DEALING WITH THE PAST**

By Owen Paterson MP, Secretary of State for Northern Ireland, 16 November 2010

#### **Introduction and thanks**

When Dean Godson asked me in the summer to deliver the inaugural Leonard Steinberg memorial lecture I had no hesitation in accepting.

That's because it is a great privilege for me to speak in honour of Leonard Steinberg, Lord Steinberg of Belfast.

And I'd like to add a very warm welcome to members of the Steinberg family who have travelled here to attend this inaugural lecture in honour of Leonard.

My thanks also go to Dean for his kind invitation to me and to Policy Exchange for hosting this event tonight.

Dean has, of course, established himself over the years as one of the foremost authorities on politics and security in Northern Ireland.

His monumental biography of Lord Trimble, who I'm delighted to see here tonight, is testimony to that.

Anything that Dean writes on Northern Ireland, typically forthright and trenchant in tone, is worth reading.

This evening I want to speak about what the Coalition Government is doing to build the peaceful, stable and prosperous Northern Ireland that was so close to Leonard Steinberg's heart – and that of all of us gathered in this room.

I want to talk about our commitment to helping Northern Ireland fulfil its potential to play a full role on the main stage of UK politics.

I want to set out our approach to rebuilding Northern Ireland's economy.

And I also want to say a little about some of the possible approaches to dealing with Northern Ireland's bloody past, which also, as we know, had such an impact on Leonard Steinberg's life.

### **Leonard Steinberg**

Leonard once famously said "I am Jewish, Northern Irish and an Ulster Unionist. I hope that doesn't cause confusion."

To which my reply is certainly not.

After all, it's worth remembering that Belfast had its first Jewish and Unionist Lord Mayor, Otto Jaffe, as far back as 1899.

And he went on to serve a second term from 1904 to 1905, the same year that saw the foundation of the Ulster Unionist Council.

Let's not forget also that the sixth President of Israel, Chaim Herzog, was born in North Belfast and had a distinguished career as a tank commander and intelligence officer in the British Army.

All of this brings home to me two important facts.

First is the often underestimated contribution of the Jewish community to the life of Northern Ireland and particularly Belfast.

Second, that at its strongest, Unionism should appeal across the community, to people of all religious faiths and of none.

And in Leonard Steinberg, Unionism had a champion who combined devotion to his Jewish faith with a passionate belief in our United Kingdom.

But then Leonard was not just an Ulster Unionist. He was also a deeply loyal Conservative, as he put it, with a very large 'C', through the good times and the bad.

It might be something of an understatement to say that the period from 1997 to 2005 was not the happiest in the Conservative Party's long history.

But throughout, Leonard's commitment to the Party never for one minute wavered.

He was a hugely generous donor and successful Deputy Treasurer of the Party at a time when backing the Party was hardly fashionable.

I saw that at first hand during the two years I served as Parliamentary Private Secretary to Iain Duncan Smith when he was leader of the Party.

And he would of course have been delighted to see David Cameron in Downing Street.

In addition to his business interests and contribution to the party, I should also mention Leonard's charitable work. He was, to use the Hebrew term, Ba'al Tzedakah – a philanthropist on behalf of a range of Jewish and non-Jewish causes.

When setting up the Northern Ireland Friends of Israel, Leonard described it as bringing together the two most important strands of his life.

### **Northern Ireland and Mainstream Politics**

It was as a staunch Conservative and Ulster Unionist that Leonard discussed the state of politics in Northern Ireland with me after I became Shadow Secretary of State in 2007.

In fact the morning that Leonard died I was travelling to London to meet him to discuss two issues...

...the revival of the Conservative Party's electoral alliance with the Ulster Unionists

...and plans to establish the Centre for Social Justice in Belfast, the first branch outside London.

Leonard was a true philanthropist who shared the traditional Conservative commitment to tackling deep-seated social problems and was keen to see that applied in Northern Ireland.

And Leonard was also very supportive of our attempts to develop national politics in Northern Ireland.

He shared David Cameron's and my great desire to end Northern Ireland's semi-detached political status and help it play a full part in the mainstream of UK politics.

Our opponents have made much of the fact that we didn't win any seats in May.

In fact we achieved over 100,000 votes for national politics and we came very close in three constituencies. For every five votes we secured we won no seats, while for every seven votes the DUP secured they won 8 seats.

Although I remain an unapologetic supporter of the first-past-the-post system it does sometimes throw up tough results.

But despite the General Election not going quite as well as we would have hoped in Northern Ireland, David Cameron and I remain committed to the principles on which we fought it.

Let me tell you why.

For us, it's a simple matter of democracy.

It is surely wrong that the people of Northern Ireland, alone in the United Kingdom, should be deprived of the opportunity to vote for parties that can form its government in Westminster.

As David Cameron put it, why is it that people from Northern Ireland rise to the top of our Armed Forces, excel in business, sport and the arts, yet nobody sitting for a Northern Ireland constituency serves in the British Government?

This is an anomaly. It is undemocratic. And it should change.

That's why we made sure that written into the Coalition Programme for Government is a clear commitment "to work to bring Northern Ireland back into the mainstream of UK politics".

There are some who attack this position and tell us that it is incompatible with the UK Government acting as an 'honest broker' between the Northern Ireland parties.

I disagree profoundly with this.

For a start, the logic of that argument is that Northern Ireland people should be effectively disenfranchised and treated permanently as second class citizens when it comes to electing their government.

That cannot be attractive to anyone who believes in democracy and the basic right to equal citizenship.

Why should people from Northern Ireland be excluded from playing a part in electing their national government?

I simply do not accept that having an electoral interest or, putting it another way, being a 'player', prevents us from working with all parts of the community to build a better Northern Ireland for everyone.

Any suggestion to the contrary is, in short, nonsense as is borne out by some of the decisions and actions we have taken over the past six months.

We will always seek to do the right thing – whether it was our decision to publish the report of the Bloody Sunday Inquiry as quickly as possible after taking office, or our determination to help resolve the crisis in the Presbyterian Mutual Society.

Equally, our strong support for the Union does not run counter to the principle of consent and the binding commitments made by successive UK Governments in respect of the constitutional position of Northern Ireland.

I have never accepted that while it is perfectly legitimate for the Irish Government to state its belief in a united Ireland, it is somehow illegitimate for the United Kingdom Government to express its belief in the United Kingdom.

The difference between us and the previous administration is that, in David Cameron's words, we will never be neutral in expressing our support for the Union.

Of course we remain hugely supportive of the political institutions that have been established in Northern Ireland.

We passionately want devolution to work.

So we will faithfully uphold and implement the Belfast Agreement and its successors.

And we will never do anything that puts the progress of the past twenty years at risk.

Today, politics in Northern Ireland is more stable than it has been for over a generation.

Devolution has been completed and all the key local services, including policing and justice, are run by politicians at Stormont.

Co-operation between North and South, and between the UK and Irish Governments, is closer than ever.

I welcome that and we will work hard to ensure that it continues.

But I'm also well aware of concerns over the functioning of the Executive and set out my views on this at the time of the election.

We need a fully inclusive Executive working for the people of Northern Ireland of the kind envisaged in the Belfast Agreement.

The internal workings of the Executive are primarily matters for local politicians to resolve.

And I'm pleased that the proposals put forward by the Committee Co-Chaired by Reg Empey and Margaret Ritchie are now being implemented.

I said at the election that over time we would like the institutions to evolve into a more normal system with a government and an opposition.

As Bertie Ahern himself put it in an interview with Frank Millar in 2009, "there will come a time where people will say "you need an opposition, you need us and them"".

But I also made absolutely clear that any changes are for the future and will only come about after full consultation and with the agreement of the parties in the Assembly.

Yet support for devolution, and the agreements, is not inconsistent with also wanting to bring Northern Ireland into the political mainstream.

In fact I believe that this is the logical outworking of the Belfast Agreement in which all the parties accepted the "legitimacy of whatever choice is freely exercised by a majority of the people of Northern Ireland with regard to its status".

A clear majority does “freely and legitimately” continue to support the United Kingdom. Northern Ireland is not a hybrid state.

The Agreement – backed by 71 per cent in the North and 94 per cent in the South – not only endorsed devolution but also made clear that significant competences should be retained by Westminster.

Significant consequences flow from these points.

One is that there is no reason why the constitutional issue should remain the defining characteristic of Northern Ireland politics. It was settled on the basis of the consent principle.

And another is that people in Northern Ireland should be able to play a full role in the mainstream of political life in the country of which they legitimately form a part.

That’s what the Conservative Party, in partnership or on our own, will continue to offer.

We want to see local politicians developing local policies but also have a major influence at national level.

We also want to tidy up some of the anomalies that are unique to Northern Ireland.

To do this I’m increasingly attracted to the idea of a ‘normalisation’ Bill during the course of this Parliament.

This could deal with issues such as political donations, elements of electoral law and, yes, if it has not been resolved by consensus, ending once and for all double jobbing at Stormont and Westminster.

My aim would be to have them resolved by the time of the 2015 Stormont and Westminster elections.



## **Rebuilding the Economy**

Bringing Northern Ireland into the mainstream is something that had the full-hearted backing of Leonard Steinberg.

But as a hugely successful businessman I know that Leonard was an equally enthusiastic supporter of our plans to re-balance and revive the Northern Ireland economy.

Because if anybody epitomised the entrepreneurial spirit and ‘can do’ mentality it was a man whose business empire began as a single unlicensed betting shop at the back of his father’s Belfast milk shop.

As Shadow Secretary of State from 2007 I visited Northern Ireland virtually every week.

I made a point of going outside the political bubble, visiting businesses, trades unions, charities and community groups.

And I’m absolutely convinced that just like anywhere else in the United Kingdom the economy and jobs, not constitutional issues, are the things that most concern people in Northern Ireland today.

Under devolution responsibility for economic development is mainly in local hands.

But the UK Government also continues to play a key role and I want to say a few words about how we are approaching the task of assisting economic recovery in Northern Ireland.

I hardly need point out to this audience the complete financial and economic mess the Coalition Government has inherited.

The national debt doubled; the largest deficit in the G20.

As a result of Labour's mismanagement we are currently borrowing around £270,000 a minute.

Debt interest is running at £43 billion this year. That's more than double the whole of public expenditure in Northern Ireland.

It's dead money that will never be invested in a single school, hospital or police officer – at least in this country.

We cannot go on like this. There is nothing fair or progressive about offloading the nation's credit card bills onto our children and grandchildren; telling them in effect that they can't invest in public services due to our profligacy.

So tackling the deficit has to be the number one priority of the Coalition if we are to increase business confidence and put the country back on the road to sustained economic growth.

And as a part of the United Kingdom, Northern Ireland has to make its contribution – as it always has done when our country has faced a crisis.

Against that background and in exceptionally difficult circumstances I believe that we argued for and secured a fair deal for Northern Ireland in the recent spending review settlement.

Just before the spending review Northern Ireland Ministers in the Executive were being briefed that they would be facing reductions of 18 per cent on current spending and 48 per cent on capital spending.

In fact, the Executive is being asked to make savings on current spending of 6.9 per cent over the next four years against an average for most UK departments of 19 per cent and the NIO 25 per cent.

And while reductions in the capital budget are larger at 37 per cent – though not as large as the 50 per cent planned by Labour – we are confident that we are on course to deliver the £18 billion package for capital investment promised by the then Chancellor after the St Andrews Agreement.

In addition we were able to make available the £200 million asked of us by the Executive to provide a just and fair resolution of the crisis in the Presbyterian Mutual Society.

Reg Empey first took me to meet the PMS and alerted me to the very real hardship being experienced as a result of its collapse. I then raised it with David Cameron who was convinced of the need to act.

Under Labour this issue was frankly going nowhere. David Cameron made it an election commitment in Northern Ireland and we have delivered.

I believe that the economies we are asking the Executive to make - £1.72 in every £100 of current expenditure – are achievable.

A recent paper by the CBI in Northern Ireland showed how they could save over £1 billion by running services more efficiently.

And a report by Deloitte in 2007 highlighted the £1.5 billion that could be saved by ending the costs of division and segregation by building a truly shared future.

Like us, Leonard Steinberg wanted to see a Northern Ireland in which people have a genuinely shared future and he showed this through his support for integrated education. That work that is being continued by his brother Gerald whose journey here this evening was sadly frustrated by bad weather.

What Northern Ireland now needs is clarity and certainty. The substantial settlement announced by the Chancellor on 20 October is precisely that – a settlement.

So it's now essential that the Executive completes the task of setting its own budget so that it can deliver the services on which people rely.

As a government, however, and working with the Executive, we are looking at ways of dealing with the long-term structural weaknesses of the Northern Ireland economy.

I fly in and out of Belfast every week and when I see the great cranes of Harland and Wolff I'm immediately reminded of Northern Ireland's great industrial past.

In the nineteenth and early twentieth centuries Ulster was the economic powerhouse of Ireland. It was renowned for innovation and enterprise.

Today, though, Northern Ireland is massively over-dependent on the public sector.

Over 30 per cent of employment is in the public sector, while according to one survey public spending accounts for a staggering 77.6 per cent of GDP.

Of course I understand many of the reasons for this. The decline in a number of traditional industries coincided with the IRA's campaign of terror and economic destruction.

Leonard Steinberg was himself one of the victims of this campaign.

After bravely refusing to pay protection money he was shot five times outside his Antrim Road home in 1977 and, like many other members of the Belfast Jewish community, forced out of Northern Ireland.

One of Leonard's friends, Leonard Kaitcer, was shot dead by terrorists in 1980.

So I readily accept that the climate for starting up new businesses and, despite the efforts of successive governments, for attracting inward investment was hardly encouraging. Selling Northern Ireland was, to put it mildly, a challenge.

But as every party today recognises Northern Ireland's reliance on the public sector is simply unsustainable.

Despite its incredibly difficult recent history Northern Ireland does have some spectacular, world-class companies.

Last week I attended the unveiling of the full-size mock up new London bus with Boris Johnson.

Combining all the character of the old Routemaster with some of the convenience of the loathsome, self-igniting bendy bus, it's a superb product.

And it's being built by Wright Bus, a world renowned private, family business in Ballymena.

The problem we have is that Northern Ireland needs many more businesses like Wright Bus.

We also have challenges that are unique within the United Kingdom.

One, I've just mentioned, is the legacy of the troubles. Another is the fact that we share a land border with a country that has a significantly lower rate of corporation tax than we do.

Despite its current economic problems in the first six months of this year the Republic of Ireland attracted over 50 foreign direct investments, including a number of big global hitters.

There's an obvious reason for this and it does put us at a real competitive disadvantage.

So we have to find ways of getting the private sector moving to lead the recovery and create the jobs of the future.

That's why, by the end of the year and working with the Executive, the Government will produce a paper on rebalancing the Northern Ireland economy.

This will look at possible ways of turning Northern Ireland into an enterprise zone and potential mechanisms for giving it a separate rate of corporation tax to attract significant new investment.

I first discussed this with Sir George Quigley at the investment conference at Hillsborough in April 2008. Since then I've become more and more convinced that it can be a game changer for Northern Ireland.

Rebalancing will take time, perhaps up to 25 years, though as I've said on many occasions to do nothing is simply not an option. Equally, doing anything too rapid would be reckless.

But I am determined to make a start and against a background of peace and stability begin the process of turning Northern Ireland once again into an economic powerhouse.

### **Standing by Northern Ireland**

Let me repeat those words, "against a backdrop of peace and stability".

As I said earlier, politics in Northern Ireland is at its most stable for over a generation. But do we have peace?

Unquestionably the security situation is transformed from what it was in the 70s, 80s and early 90s.

Operation Banner, the longest continuous deployment in British military history, ended in 2007.

Policing is now devolved and locally accountable for the first time since 1972.

So let's not downplay the positives and acknowledge the very great progress that's been made since the mid-1990s. Northern Ireland has come a long way and for the better.

We do though face a real and serious threat from residual terrorist groups.

They are small in number. They have no popular or political support. And their objectives appear to be to turn the whole of Ireland into some kind of ghastly hybrid of North Korea and Enver Hoxha's Albania.

But, as we've seen tragically over the past couple of years, they have a complete disregard for life and property. And their capabilities and ambitions are increasing.

The Coalition Government is anything but complacent. Since May we have been decisive in our efforts to get to grips with the deteriorating situation that we inherited.

The threat level in Northern Ireland is Severe. In September we raised it from Moderate to Substantial here in Great Britain. And in October the National Security Strategy paper placed the threat as a Tier One priority.

I have no doubt that working closely together with the PSNI, the local justice minister and our colleagues in the Garda Siochana, we will pursue these terrorists and prevent them from succeeding.

Here let me pay tribute to the Garda Commissioner, Fachtna Murphy, shortly to retire. These terrorist groups have no greater foe and the PSNI no greater ally than Fachtna.

It's a huge testament to the co-operation that now exists between us that Matt Baggott told me recently that he has a closer relationship with Fachtna than he did with any of his neighbouring forces when he was Chief Constable in Leicestershire.

As the Prime Minister said in Birmingham we will protect the people of our country with all the means at our disposal.

We will always stand by our fellow citizens in Northern Ireland. Overwhelmingly they do not want to see Northern Ireland dragged back to the past and we will not allow that to happen.

### **Dealing with the Past**

Dealing with Northern Ireland's contentious past, though, is one of the issues that has yet to be resolved.

Thirty years of terrorism has left a terrible legacy for individuals, families and society as a whole.

And there can be few people in Northern Ireland who lived through the troubles who have not been affected, directly or indirectly, by it.

The previous government sought to tackle the past by setting up the Consultative Group on the Past chaired by Lord Eames and Denis Bradley which reported in January 2009.

Eames-Bradley contained many useful and interesting ideas and was a highly significant contribution to the debate. But it was inevitably overshadowed by the proposal for a universal recognition payments to the families of all those killed in the troubles, including terrorists.

Needless to say this Government will not be taking that particular idea forward.

We did, though, publish a summary of the responses to Eames-Bradley in July this year, something which, if I can put it politely, my predecessor had rather sat on.

What it demonstrated is the almost complete absence of any consensus on how to move forward.



There are those who argue that we should simply draw a line under the past and attempt to move on, while others make the case for a full blown truth and reconciliation commission.

Some people just want to know the truth about what happened to their loved ones; in other cases there is a strong yearning for justice.

I'm clear, therefore, that whatever suggestions the Government makes, they are not going to satisfy everybody.

It's also apparent to me that the Government can't simply impose solutions on the people of Northern Ireland. Local politicians, victims groups and the broad community have to be fully involved. Any approach to the past has to be made in Northern Ireland.

Before briefly discussing some options let me tell you what we won't be doing.

We will not be party to any one-sided attempt to re-write history in a way that puts the RUC, the PSNI and our Armed Forces on the same footing as terrorists.

Politically motivated violence – from whatever side – was never justified.

We will always condemn terrorism.

And we will never forget the sacrifice of our police and armed forces in defending democracy and the rule of law. Some of those who served in the room this evening and we all owe them a huge debt of gratitude.

At the same time, however, when the state or those who serve it do the wrong thing we will accept responsibility and apologise, as the Prime Minister rightly did over 'Bloody Sunday' or as I did in the case of Claudy.

But continuing to pick out selective cases to subject to a lengthy public inquiry is not a viable approach to dealing with the legacy of a conflict in which thousands of people from all parts of the community were killed.

We should remember that 10 per cent of deaths in the troubles were tragically at the hands of the security force, while 30 per cent were carried out by 'loyalists' and 60 per cent by republicans.

We cannot have a hierarchy of investigations.

Moreover, there is no guarantee that public inquiries provide satisfaction for victims' families. The Billy Wright inquiry took six years and cost £30 million. Yet it could not answer the most basic question as to how the guns that killed him were smuggled into what was then Europe's most high security prison.

So, as the Prime Minister and I have made clear, there will be no new costly and open-ended public inquiries.

There are alternative ongoing processes that are helping families to find answers.

In particular I applaud the work of the Historical Inquiries Team which is patiently and meticulously working its way through 3,268 deaths during the troubles, including soldiers and police officers who lost their lives.

The 86 per cent satisfaction rate that the HET achieves among families who have received reports demonstrates the success it is having in helping to bring a measure of resolution.

What then are the other options?

One is simply to say this is all too difficult and traumatic and just seek to 'draw a line'. The obvious example of this is the 'Pact of Oblivion' in Spain following the death of Franco underpinned by the 1977 amnesty law.

I remain doubtful, however, whether Northern Ireland is ready to shut down the past in this way. And I do not believe that an amnesty, central to the Spanish experience, would be appropriate or acceptable in the United Kingdom.

We will not compromise our commitment to the rule of law.

Another option might be to keep existing processes but focus on improving practical support to victims. One brilliant example of where this can really make a difference is the Northern Ireland Centre for Trauma and Transformation at Omagh which has treated over 500 people for complex post traumatic stress disorder since it was set up in 2002.

Victim support is, however, now mainly a devolved matter so there is only a limited amount that the UK Government can do. In addition there are limits on the extent to which practical support can serve as an overall strategy as it clearly does not meet the needs of those who want 'closure'.

A third option, as proposed by Eames-Bradley, is an independent Legacy Commission. There was, however, little confidence in response to the consultation that former paramilitaries would be willing to engage, leading to one party describing it as a "one-sided truth commission". In addition there is the question of cost, with Eames-Bradley themselves talking in the hundreds of millions.

If there is no consensus on a Legacy Commission then I doubt there would be a strong appetite in Northern Ireland for a full blown Truth and Reconciliation Commission on the South African model. A key part of the South African process was the power to grant amnesties which, as I have just said, would not necessarily be acceptable or appropriate here.

A further idea is some kind of mechanism for information sharing and recovery. Spanish legislation in 2007 included provision for a Historical Memory Documentary Centre in Salamanca with public access to archives and documents.

Anything similar in Northern Ireland would clearly need involvement from all those involved in the events of the past forty years. It could not be a one-sided exercise.

And its value would be highly dependent on the extent to which individuals would be prepared to tell their story and under what circumstances.

Such a process would require a government contribution, for example over the release of documents, but it would have to be wholly independent of government.

There might also ultimately be a role for a panel of historians to interpret all the available material with a view to producing the authoritative history of the troubles.

It wouldn't be a shortcut to dealing with the past. But it might help families, and wider society, achieve greater understanding and closure, however difficult that might be.

And historians might just have more appropriate skills than lawyers in helping to resolve the past.

In Opposition and now in Government I have met victims groups, community organisations, academics and politicians from all parts of the community to move forward the debate on this important issue.

And I plan to continue exploring ideas on the contentious issues of the past over the coming months with a view to making further announcements in the New Year.

## **Conclusion**

Let me end with just a few words more about Leonard Steinberg.

As someone whose grandfather had fled persecution in Eastern Europe he was a wonderful example of somebody who rose from a humble background to build a hugely successful business.

But Leonard understood instinctively that with wealth goes responsibility which is why as a philanthropist he devoted so much time, effort and yes, money, to helping others.

He was unfailingly generous both in his charity work and in politics.

The Northern Ireland troubles left an indelible mark on him. He was targeted and shot by terrorists. He lost friends to terrorists.

But despite being forced to leave Northern Ireland in the 1970s, Leonard never lost his deep love for and his connections with it.

So it was entirely appropriate that when he was deservedly awarded his peerage he should take the title Lord Steinberg of Belfast.

As an Ulster Unionist and a staunchly loyal Conservative, Leonard was totally committed to building a peaceful, stable and prosperous Northern Ireland within the United Kingdom and in which terrorism is history.

As Secretary of State for Northern Ireland those are my objectives too.

So it has been an immense privilege to have been able to say a few words of tribute to Leonard this evening and about the place he loved so much, Northern Ireland.

WORDS: C. 5,100