

CONFIDENTIAL

*Mr Hamilton
11/10*

FROM PS/SIR K P BLOOMFIELD
DATE 6 October 1989

ASST. / NH 29/10.
SEC
11 OCT 1989
CENT SEC

*Mr Wilson
11/10*

PUS/NI PERMANENT SECRETARIES MEETING: 3 OCTOBER 1989

*to see how
parish advice
on appropriate
security furniture
etc*

Present: Sir John Blelloch, Sir Kenneth Bloomfield, Mr Stephens, Mr Burns, Mr Parkes, Mr Hodges, Mr Fell, Mr Elliott, Mr Semple, Mr Murray, Mr Spence

I attach a note of the above meeting held in Stormont House Conference Room. The Agenda was:

- | | | |
|----|---|-------------|
| 1. | Politics | Mr Burns |
| 2. | Security | Mr Stephens |
| 3. | EC/DANI Veterinary
Inspection of NI Meat
Plants | Mr Hodges |
| 4. | Student Loans | Mr Parkes |
| 5. | Electricity Developments | Mr Fell |
| 6. | International Fund | Mr Semple |
| 7. | Infraction Proceedings
over EC Drinking Water
Directive | Mr Murray |

The next meeting will be held on Tuesday, 21 November at 11.00am in Stormont House Conference Room. Checklists please by Monday, 13 November.

J. Cairns

JOYCE CAIRNS

*Mr Caldwell 2/11
Re X@ from 2 (11)
Note
This Protocol intended to
investigate and report back.
11/11*

*The last topic of reference held in these records
which could be prejudicial to individuals eg. CAU, Community
Groups, Units etc. assess whether level of
security presently advised is adequate or not
& advise same on our needs, if any.*

CONFIDENTIAL

ID 10942

*[Signature]
11/11/89*

CONFIDENTIAL

PUS/NI PERMANENT SECRETARIES MEETING
TUESDAY, 3 OCTOBER 1989

1. Politics

Mr Brooke had now had useful meetings with the leaders of the main political parties and would soon meet the leader of the Workers Party. The Secretary of State was familiarising himself with the facts before taking policy decisions and no "hard" discussion topics had as yet been addressed.

Two developments on the local front deserved mention:

- (i) Peter Robinson, supported by other DUP members, had started making moves toward devolution.
- (ii) Reg Empey, known to be anxious to improve the image of Belfast, had organised both a conference on procurement and contracting out and a committee to examine a possible request to transfer (perhaps on an agency basis) further minor powers to District Councils.

These constructive signs were to be set against rumours of a renewed UUP campaign against the AI Agreement.

Anglo Irish Matters

Reports of 'leaks' of classified information and claims of collusion between security forces and paramilitaries had featured prominently in the media. The Secretary of State's handling of the problem in face of strong Irish reaction had been impressive and although there were some signs of the Irish drawing back, it would probably remain an irritant in AI relations for some time.

2. Security

- (i) The new Secretary of State, Minister of State and Chief Constable had impressed at meetings with the Irish; however the alleged "leaks" posed problems on the security front. There was no evidence to substantiate fears that highly classified information provided by the Garda was involved. It was essential both to make it clear that the allegations were being tackled seriously, and to keep the matter in proportion. The "leaked" documents bore a 'Restricted' classification.

The phenomenon was not seen as being exclusively 'Loyalist' and the underlying rationale was not clear. There was now pressure for a wider enquiry and Mr Cope had made it clear that this was part of a criminal enquiry at present. The re-instatement of Corporal Hastie had added to the current difficulties.

CONFIDENTIAL

ID 10942

CONFIDENTIAL

(ii) General Situation

PIRA had very limited success in raising the level of violence during the "20th Anniversary" period, however, the recent explosions at Deal and Randalstown and the murder of a Royal Signals Sergeant were part of this campaign. Ongoing containment by the security forces had denied many other "successes" and the way ahead for PIRA was unclear. Further attacks on the mainland and continental Europe were likely.

(iii) PUS noted the Irish Government's dissatisfaction on the unfulfilled 1985 communique on accompaniment of UDR patrols. There was also extreme sensitivity to any suggestion of information from the South having aided the murder of a Nationalist.

(iv) Sir Kenneth noted that although relations with the Irish were inevitably strained at present, there could be benefits from facing up to real issues in a way which realistically brought out the underlying problems.

X Central Secretariat would take a close look at the security of any information held by it which could be prejudicial to individuals.

3. EC/DANI Veterinary Inspection of Meat Plants

Of the thirteen meat processing plants in NI, the 11 exporting plants barely reach the minimum standard demanded by the EC.

The industry must now address two significant problems:

(i) The NI plants at present would fail to reach the planned rise in EC standards; and

(ii) The equipment was now outdated.

The ROI had embarked on a programme of rationalisation and funding of new plants. If the NI industry did not keep pace there was the possibility that NI produce would in future go South and the "added value" element would hence accrue to the South. The principals of the meat plants would shortly meet Mr Hodges, and DANI would meet with the Secretary of State on 2 November to discuss the matter.

No one currently held overall responsibility for the industry's role in the economy and Sir Kenneth noted that a strategic approach to the needs of the whole industry was now required. The interface problem was not unique to agriculture however and responsibility for the 'strategic' view may be an appropriate future role for DED.

CONFIDENTIAL

ID 10942

CONFIDENTIAL

Mr Fell would take the lead in addressing the problem along with Permanent Secretary colleagues.

4. Student Loans

- (i) The Government was now firmly committed to introducing a Student Loan Scheme from 1990. In future years the calculation would allow for inflation and the loan would be repaid after graduation. In effect two parallel schemes would run for some years.
- (ii) An Order in Council would apply the legislation to Northern Ireland.
- (iii) Although negotiation with the banks was not yet complete, they would have an opportunity to contribute to the running of the scheme.
- (iv) The start-up costs would be met by DES and the subsequent administration costs by DENI.

The availability of loans for study in another EC member country had yet to be decided. Grants were at present available via the "discretionary award procedure".

Northern Ireland was a contender for the Headquarters for the Scheme including office accommodation for some 200 staff by October 1990.

It was agreed that further steps needed to be taken by IDB as the lead Department to match office supply to potential demand arising through relocation exercises. As far as possible this should be at the risk of the private sector but the need for some "advance office" provision could not be ruled out. Sir Kenneth Bloomfield would discuss further with Mr Hopkins.

5. Electricity

(i) Kilroot II

Under recent GB re-interpretation of the EC Directive on large combustion plants, Kilroot II, if classed a "new station", must include FGD. The matter was as yet undecided; however, current Ministerial opinion favoured installation of FGD for environmental reasons.

(ii) Privatisation of NIE

Should this proceed 'before Kilroot II', any capacity shortages could possibly be met cheaply by gas turbine generation. Clearly some injection of competition, possibly via an NIE-Scottish interconnector, would be necessary to avoid a future situation of a private

CONFIDENTIAL

ID 10942

CONFIDENTIAL

sector monopoly. It was noted that interconnectors to include the ROI and Scotland could gain EC support.

The White Paper on Privatisation was scheduled for April 1990. Under privatisation the tariff link would have to be reviewed and should it be abandoned, the announcement would have major political implications. This would have to be very carefully handled.

(iii) The Tinnelly Case

The Judicial Hearing had recently recommenced under Mr Justice McCollum, who was focussing on the weakness in the procedure for advising the Secretary of State re the issue of Section 42 certificates.

DED had to assess why the NIE decision was made and then request from the RUC available information to advise the Secretary of State on the issue of the certificate. Mr Justice McCollum held that NIE should have been asked for the relevant information on which they based their decision. At present NIE is not asked for access to their own internal documentation.

The case had highlighted a need to look closely at the handling of Section 42 certificates in general, irrespective of the outcome on this case.

Mr Fell would provide a summary of the case for PUS, Sir Kenneth, Mr Burns, Mr Stephens and Mr Semple.

6. International Fund

- (i) The new Board appointees including the new Chairman, Mr John McGuckian, had now taken up office and had received good press coverage.
- (ii) As a number of IFI programmes were nearing completion, Mr Semple would welcome from colleagues imaginative ideas for new projects.

Should the IFI Funds prove insufficient to cover the accepted projects, there may be additional funds available from other sources such as the Esmee Fairbairn Charitable Trust.

7. EC Drinking Water Directive

The EC Drinking Water Directive had not yet been incorporated into statute law in Northern Ireland. Work was now underway to bring the water standard up to the required level, hopefully before the case would go through the court in up to 2 years time. At present there were deficiencies in the NI water supply in relation to the EC standard.

CONFIDENTIAL

ID 10942