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FROM: D J WATKINS
US CENT SEC
DATE: 18 MAY 1995

CC: PS/Michael Ancram (DENI,B&L) - B
PS/Sir John Wheeler (DFP,B&L) - B
PS/Baroness Denton (DED,DANI&L) - B
PS/Mr Moss (DOE,DHSS&L) - B
PS/PUS (B&L) - B
PS/Mr Fell - B
Mr Loughran
Mr Semple
Mr Legge - B
Mr Thomas - B
Mr Bell - B
Mr Brooke - B
Mr Leach - B
Mr Williams - B
Director, TFU - B
Mr Wood (B&L) - B
Mr Maccabe - B
Mr Brooker - B
Mrs Brown - B
Mr Currie - B
Mr Maxwell - B
Mr Stephens - B
HMA, Dublin - B
Mr Lamont, RID - B
Mr McCartney, DFP Solicitors
Mr Bentley, HOLAB
Mrs Devlin - B
Mr Todd, IFI
Mrs Kenny

PS/Secretary of State (B&L) - B

HURD POLICY : BRIEFING FOR WASHINGTON

1. In my submission of last night I promised further briefing for Washington.
2. I attach this in the form of questions and answers largely tailored for an American audience. Ministers may however also care to draw on the general question and answer briefing already provided but attached for convenience.

[Signed DJW]

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SC 28151

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Q. Why have you decided to change Government policy on public funding of projects in Conway Mill?

- A. - Account taken of events since IRA ceasefire.
- Reduction in risk of paramilitary misuse of funds.
- Am now satisfied that there would not be a grave risk that support would have effect of improving standing/ furthering aims of a paramilitary organisation.

Q. Have you got rid entirely of repressive political vetting?

- A. - Hurd Policy not political vetting. Aimed at preventing misuse of taxpayers' money by paramilitaries and increase in paramilitary influence.
- Policy still available for use in principle, though kept under review. Hope wider developments in NI will enable me to use it rarely at most, preferably not at all.

Q. What wider developments would enable you finally and completely to withdraw Hurd Policy?

- A. - Peace sustained longer.
- Removal of paramilitary threat (primarily through arms decommissioning) on republican and loyalist sides.

Q. How often used in past?

- A. - Comparatively rarely.

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- 27 times in 10 years (a fraction of total cases of assistance to community groups). Funding restored in 5 cases - so net 22 cases.
- applied to groups associated with paramilitaries on both sides (of the 22, 14 republican, 8 loyalist).
- Applied to only one new case in last 3 years.

Q. On what basis could Hurd Policy be applied to IFI?

A. The constitution of the Fund requires it to ensure that its "disbursements shall be in accordance with the economic and social policies and priorities of the respective Governments".

Q. Is IFI now free to fund any project in or associated with Conway Mill?

A. - Yes. So are all Government departments/agencies.

- In principle Hurd Policy can still be applied. Hope wider developments make this unnecessary.

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Q Has there been any change in the Government's policy on public funding of projects in Conway Mill?

A I have decided, taking due account of events since the ceasefire declaration by the IRA on 31 August last year, that assistance need not be withheld from groups operating in or out of the Mill, provided of course that I am satisfied, in the light of changed circumstances, that there would not be grave risk that the giving of support to any such group would have the effect of improving the standing and furthering the aims of a paramilitary organisation.

Q Does this mean that the Hurd Policy has been withdrawn?

A No. The Policy remains available to me. Decisions will continue to be made, on a case by case basis, as to whether the granting of support to any particular group would have the effect of improving the standing and furthering the aims of a paramilitary organisation, whether directly or indirectly.

Q Why has the change been made now?

A Since the announcement of the IRA ceasefire in August 1994 and the Loyalist ceasefire in October, the risk to society from paramilitary organisations has, in the Government's judgement, lessened to the extent that applications for assistance from groups operating in or out of Conway Mill can now be considered on an individual basis.

Q What safeguards exist to prevent public funds being diverted to paramilitary organisations?

A Effective safeguards have been developed in Departments' administrative mechanisms to prevent the diversion of public funds to paramilitary organisations, particularly following the

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implementation of the recommendations of the UK Efficiency Scrutiny of Government Funding for the Voluntary Sector. These include arrangements for the monitoring, evaluation and financial control of every grant made.

Q What concessions are Sinn Fein and the IRA making in response to this change?

A My decision to allow this change was based on a considered assessment of the developing peace process and its potential for the future well-being of the people of Northern Ireland.

Q Is the Government abandoning the original objectives of this Policy?

A No policy is immutable, and changing circumstances demand changing responses from Ministers. Michael Ancram has joined the exploratory dialogue with Sinn Fein and with the PUP and the UDP. The ultimate objective of these talks is to bring those parties, and their adherents, into the constitutional political process. This objective, so vital to the future peace and prosperity of the people of Northern Ireland, must now be the Government's most important objective.

Q What has the Policy achieved so far?

A Given the security imperative behind the introduction of this Policy in 1985, I am not at liberty to disclose details of the Policy's achievements. But I am satisfied that it has played a significant role in preventing paramilitary organisations from using public money to improve their standing or further their aims.

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Q Does the Hurd Policy not simply represent political vetting?

A No. It is applied in cases where there is concern about links with paramilitary, not political, organisations. The political allegiance or aspiration of any members of any organisation have never been considered as a relevant factor in any decisions to apply the Policy.

Q How many groups have been refused Government funding under the Policy?

A Twenty-seven groups have been refused funding. Of these, 5 groups whose funding had been withdrawn subsequently had it restored following changes in their management.

Q Who were these groups?

A The names of all these 27 (22+5) groups are not in the public domain, and it would be wrong for me to name them now as hopefully we move towards establishing a permanent peace in Northern Ireland. I am aware that some of the groups disallowed funding have identified themselves: that is a matter for them. What I can say is that of the 22 groups whose funding was permanently withdrawn, 14 could be identified as republican and 8 as loyalist.

Q Are these 22 groups still excluded from Government support?

A They are free to apply for support under those Government programmes for which they are eligible. Applications will be dealt with on their merits in the light of all relevant circumstances.

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Q Will the Conway Mill now receive Government assistance?

A The promoters of the Conway Mill are free to apply for support from those Government programmes for which they are eligible. Any application will be dealt with on its merits in the light of all relevant considerations.

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