

165/95

ASST mm 51/2
SEC - 2 FEB 1995
CENT SEC

Mr Maxwell
Noted Min. Not
much understanding of the
politics of the proposal,
I fear?

ASST mm 879/1
SEC 31 JAN 1995
CENT SEC



ASST LD 6812
SEC - 3 FEB 1995
CENT SEC

As Mr Jagelman
Mr Jagelman may
be interested in
this.
31/1

Call
1/2/95
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HEAD OF THE N.I.
- 1 FEB 1995
1463
CIVIL SERVICE

cc Secretary
Mr Watkins
Mr Maxwell
Mrs Kenny

Mrs Kenny
LD312

Mr Brooker - FAX

JAMES MOLYNEAUX: ECONOMIC COUNCIL

We have had several conversations on the telephone about this matter but, having seen Mr Jagelman's minute of 19 January, I thought I should minute you as well.

As regards the idea itself, I have some difficulty in understanding what its purpose is. Without being a constitutional expert, my understanding is that Parliament is elected (well, the Commons at least) to form a Government which consists of Ministers who have responsibility for various matters, in this case, economic development. At present the Conservative Party is in office and Sir Patrick Mayhew and Baroness Denton have responsibility for economic affairs in Northern Ireland. MPs have also decided that they should form a separate Committee to watch over affairs in Northern Ireland; hence the Northern Ireland Affairs Committee which took as its first topic "the creation of employment". Finally, Northern Ireland Ministers have appointed a Northern Ireland Economic Council in order to get independent advice on economic issues.

Against this background I do not see where an economic council of MPs and peers fits in. It will certainly have an uneasy relationship with the Northern Ireland Affairs Committee.

But more importantly, on the structure referred to in Mr Jagelman's minute, it



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will cut across existing governmental arrangements and Ministerial responsibilities. Baroness Denton has been asked by the Secretary of State to take responsibility for DED and you cannot have this new Economic Council dealing "directly with DED/IDB" any more than it can have "input into the arrangement of overseas visits to attract inward investment to Northern Ireland" or have a right to have one or more of its members accompanying such visits. These are all the Minister's responsibilities for which she is, in turn, responsible to the Secretary of State and, indeed, to Parliament.

As regards a way forward, I can offer little advice that you will find helpful. In the light of the above, I assume the Council would have to be one which either advises (like NIEC) or questions (like the Northern Ireland Committee) Baroness Denton and the Secretary of State. In the past, DED Ministers have met party spokesmen to discuss economic affairs and we would be pleased to continue this; indeed, we found it helpful. However, the meetings have been on a party by party basis and Mr Molyneaux seems to want a cross party arrangement.

This immediately brings us into deep political water where I hesitate to swim. However, given the SDLP's reluctance to join the NI Affairs Committee, I do not see them leaping at this idea in advance of an overall political settlement.

That being so, the Council seems to be a non-starter. The only alternative options, it seems to me, are some sort of spin-off from either the Northern Ireland Affairs Committee or Northern Ireland Committee?) or an informal arrangement that the Minister could orchestrate. If Mr Molyneaux wants a formal cross party arrangement then the former appears to be the only option. The latter idea could be an initiative by Baroness Denton in which she would invite a number of MPs and Peers who have shown a particular interest in Northern Ireland economic matters to regular meetings at which she would brief



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them on current events and discuss with them how the Northern Ireland economy might be developed more rapidly. Such an arrangement would be described as an informal sounding board but, despite this, I suspect that people will read lots more into it in which case we will be into the same arguments as if it was a formal one. It might be sold as another step forward after Sinn Fein becomes legitimate but that will not lessen the difficulties.

As regards membership, the economic spokesmen of the various parties will give you a starting point, after which you will have to decide what other Northern Ireland MPs, etc, are brought in. So far as Peers and GB MPs are concerned, I have no helpful advice.

D GIBSON

20 **January 1995**



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