

E.R.

CONFIDENTIAL

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11/2/86

cc: PS/Secretary of State (B&I)
PS/PUS
PS/Mr Bloomfield
NI Permanent Secretaries
Mr Spence
Mr Pearson
Mr Cowling

*a Mr Mawhinney
in the night ✓*

Mr Jeffrey

Full

PS/Dr Mawhinney (L&B)

I am enclosing as requested a speech and the following briefing material for Dr Mawhinney's attendance at the reception which is being staged in Queen's University, Belfast, on 10 February to mark the accession of Spain and Portugal to the European Community.

- Brief 1. Response of the EC to the Anglo-Irish Agreement
- Brief 2. Curriculum Vitae - Commissioner Varfis
- Brief 3. Note on Structural Funds
- Brief 4. Programme of Commissioner Varfis' visit
- Brief 5. Note on Information Display and Reception
- Brief 6. Defensive Brief on Integrated Operations

The importance of the current negotiations on a package of special aid for Northern Ireland from the EC will be stressed during Commissioner Varfis' visit and the up-to-date position on this is detailed in Mr Spence's minute of 4 February 1986 to PS/Secretary of State which was copied to Ministers.

CP Moore

C P MOORE (MRS)
Central Secretariat
Stormont Castle

6 February 1986

CONFIDENTIAL

POST SPEECH FOR DR MAWHINNEY TO EC RECEPTION

I would like to thank you for inviting me to this very interesting exhibition and for giving me the opportunity to speak to you. The accession of Spain and Portugal to the Economic Community is an historic occasion and I am pleased to be able to join with my fellow Ulstermen in honouring it.

As I looked round the display and the exhibition of paintings I was struck by the talent of the young people of the Province and in particular their understanding and feeling for the culture of our new neighbours in the Economic Community and this augurs well for the future. The paintings also convey the spirit which Spain and Portugal will contribute to the Community.

I am particularly happy that this is among my first public appointments as Parliamentary Under-Secretary of State at the Northern Ireland Office. Not only is it an important and happy occasion but it is organised by the EC office and by the Queen's University Working Party on European Community Studies in whose work my predecessor, Nicholas Scott, took a close interest.

Above all it is a home-coming for me. Not only to my native Province but to Queen's University where I began my medical studies. It brings back many happy memories to be here again.

I am looking forward to the opportunity which my appointment gives me to serve Northern Ireland. As a former lecturer I was pleased to receive the Education portfolio and I hope to return to Queen's to see something more of the vast range of activities here and perhaps meet many of you again.

Let me conclude by thanking our hosts for the hard work which they have put into this

important event; by recording our appreciation to Commissioner Varfis for sparing the time to be our honoured guest here tonight and above all joining with you all to wish Spain and Portugal a long and happy association with fellow members of the European Community.

The Community is an excellent example of people of different cultures and political and religious viewpoints coming together to work for the common cause of improved living standards. Let us hope that this spirit of Europe will continue to thrive.

/JH

RESOLUTION BY THE EUROPEAN PARLIAMENT ON THE ANGLO-IRISH AGREEMENT

SUMMARY

1. The EP overwhelmingly adopted a helpful motion welcoming the Agreement.

DETAIL

2. The EP today debated a compromise motion tabled by the socialist group, the Christian Democrats, the Liberals and the European Democratic Group. McCartin (Fine Gael) wanted Community endorsement of this historic achievement. Hume (SDLP) recalled the problems and saw the Agreement as a framework for reconciliation and the progressive dismantling of the barriers between the two communities. This had needed the framework of an Irish/UK Agreement. It was an opportunity for democracy and there was no other choice. Lady Elles (EDG) noted that John Taylor did not share the group's position, and went on to welcome this courageous Agreement which deserved the moral support of the Community together with practical economic assistance. Penders (Dutch, CD) concurred and quoted from the Hagerup Report. Maher (Irish, Lib) was encouraged and hoped that Governments would not yield to extremists.
3. Lalor (Fianna Fail) criticised the early procedural withdrawal of his Motion which had expressed the legitimate wish for a United Ireland. While supporting peace and stability he criticised Mr Fitzgerald's concessions. He quoted Articles two and three of the Irish Constitution. He apologised to Mr Hume for earlier offensive remarks.
4. Paisley (DUP) claimed that he was more representative of Ulster opinion as measured by the ballot box. Yet the Agreement had been negotiated between three parties - the Irish and British Governments and the SDLP. His position would be endorsed in the forthcoming by-elections. The EP should respect human rights for the majority. Ulster would not be bought by ECUS. Nor would the majority be coerced by the EP or any other Parliament.
5. De Clercq (Commission) welcomed the Agreement and noted the Community's past support for Northern Ireland. The Motion was agreed by 150 for, 28 against and 11 abstentions.

Operative text as follows:

Begins

The European Parliament:

1. Welcomes the Agreement signed by the two Governments and hopes for its full and early implementation:
2. Calls for an immediate end to violence and terrorism from whatever source:
3. Believes that the Agreement offers a unique opportunity to make progress towards peace and reconciliation in Ireland by recognising the validity of both traditions in Northern Ireland:
4. Believes that the Agreement will have all the greater chance of success if it is underpinned by a programme of economic development which would reduce unemployment and poverty, which are both a consequence of and a contributing factor to the violence:
5. Therefore reaffirms its call to the competent community bodies to assume a greater responsibility in the economic and social development of Northern Ireland and thereby give practical expression to the Parliament's resolution of March 29th 1984:
6. Calls also upon Member States of the European Community to consider ways and means of supporting the British/Irish Agreement:
7. Instructs its President to forward this Resolution to the Commission, the Council and the Ministers meeting in political co-operation.

BRIEF 1

STATEMENT BY JACQUES DELORS, PRESIDENT OF THE EUROPEAN COMMISSION,
ON THE ANGLO-IRISH AGREEMENT

On behalf of the European Commission I congratulate the Irish and British Governments on the agreement announced today on the future of Northern Ireland. This development is clearly of great significance firstly to the people of Northern Ireland, secondly to the relations between the peoples of two Member States of the Community, and thirdly to the European Community as a whole.

Underlying the establishment of the European Community was the determination to create a European framework of common interest: "Resolved to substitute for age-old rivalries the merging of their essential interests; to create, by establishing an economic community, the basis for a broader and deeper community among peoples long divided by bloody conflicts; and to lay the foundations for institutions which will give direction to a destiny henceforward shared".

Europe has learnt from its past that violence is not the answer to difficult problems; it wreaks death and destruction; it drives communities apart; and it negates efforts to create jobs and improve living standards. Violence from whatever source is against all we stand for and must be condemned. The creation of the European Community has demonstrated that a credible alternative exists in the process of negotiation between democratic states and that it can lead to the establishment of new structures and processes in which differing identities and loyalties can be accommodated. It has thus shown that it is possible to guarantee to each and every one the chance to share in the development of their homeland and that this can be done in a climate of tolerance while respecting the beliefs and convictions of all.

The Irish/British agreement is true to that goal of peaceful settlement. I salute the two Governments who, in their lengthy negotiations, have demonstrated initiative, courage and imagination in the search for peace and stability.

the past, the institutions of the Community - the Commission, the Council and the European Parliament - have given concrete expression to their concern about the problems of Northern Ireland. The Commission's communication to the European Parliament in November 1984, summarised the impact of present community policies and actions. I pledge the continued whole-hearted support of the Commission to the economic and social development of Northern Ireland to effective cross border co-operation. I thus support the objectives underlying the agreement announced today.

RICULUM VITAE

GRIGORIS VARFIS

Born 1927 in Athens.

Studied law at Athens University, graduating in 1951. He undertook post-graduate studies in Paris, specializing in private law and political economy.

1950-1969 worked for the Organisation for Economic Co-operation and Development (OECD).

After the signing of the Association Agreement between Greece and the European Communities he occupied the post of Economic Advisor at the Permanent Representation of Greece in Brussels as from 1963.

Immediately after the fall of the dictatorship in 1974 he occupied the post of Director-General for international economic relations in the Co-ordination Ministry, then, in 1975, became head of the Ministry's new European Communities Directorate-Council. In this capacity he prepared the negotiations for the accession of Greece to the European Communities, and was appointed a member of the central negotiating committee. He resigned from this post in 1977 because of disagreement over the organisation and the aims of the negotiations.

He then worked for four years in the private sector as general manager of a Greek industrial concern.

He worked as a member of PASOK on the study and planning committee for drawing up the party's programme.

After the elections in October 1981 he was appointed State Secretary for Foreign Affairs in the new government, with responsibility for European Community affairs.

In this capacity he was especially concerned with the drawing up of the Greek Memorandum and the procedure for its adoption. During the Greek Presidency in the second half of 1983, chaired the special meetings of the Council of Ministers for Foreign Affairs, Economic Affairs and Agriculture, which had been instituted by a decision of the Stuttgart European Council for the reform of Community policies.

Since January 1974, special adviser on Community matters to the Greek Prime Minister.

Elected Member of the European Parliament in the elections in June 1984.

Representative of Greece on the ad hoc Committee on Institutional Affairs ("Dooge Committee") until his designation by the Greek Government as candidate for the Commission.

Member of the Commission since 1985. Previously responsible for Regional Affairs and Parliamentary Relations. Currently responsible for the co-ordination of Structural Funds.

Married with two children. He speaks fair English and good French.

CO-ORDINATION OF STRUCTURAL FUNDS

This idea has been a preoccupation of the Delors Commission for some time. It is related directly to the IMPs (Integrated Mediterranean Programmes) concept which has arisen out of the need to give special development aid to the poorest regions of the Community, particularly in Greece. The IMPs programme does now cover parts of Italy and France, and will extend to Portugal and Spain. It envisages multi-annual projects covering a variety of sectors in one area - fishing, agriculture, transport, industry, tourism, etc.

President Delors last year instituted a new service of the commission, under his own office, to co-ordinate the structural funds or instruments of the Community. It was made up of three sections - the first dealing with IMPs, the second with integrated operations other than IMPs and the whole question of co-ordinating and harmonising the operations of various funds and multi-annual budgeting in connection with those, and the third with documentation etc. It is to the second of these sections that Mr Horst Rechenbach, who will be accompanying Commissioner Varfis, is attached.

He also instituted a group of Members of the Commission specially concerned with this new integrated approach - now consisting of Pfeiffer, Marin, Andriessen, Cardoso e Cunha, Matutes and Cristopherson. (Note: since Sutherland lost Social Affairs, there is no Irish or British Commissioner on the group). With the reshuffle of portfolios in January, Delors relinquished his personal responsibility for Co-ordination of Structural Funds, which went to Varfis.

The exact way the new service will operate, and relate to the practices and procedures already well established in connection with the structural funds, is not yet too clear. The Commission has said an integrated approach should be adopted to give the maximum impact, and "transparence" to intervention by the Community when faced with complex structural problems of high priority. The characteristics of an integrated approach will be "un horizon pluriannuel", the involvement of a number of Community funds, and co-ordination among those responsible for the administration of these funds, both at the level of the Commission and at the place of application of the integrated approach. This approach concerns mainly, but not exclusively, regional policy. The commission takes the view that a very exhaustive degree of a co-ordination would be required, and that an integrated approach would not apply in all cases.

decision whether or not to apply an integrated approach would be taken by the group of Commissioners referred to above. This could be on the basis of categories already defined by the Commission - the IMPs for example, or special attention in favour of steel producing areas - or at the request of a Member State. After study, the group of Commissioners would decide whether to proceed with integrated action, or via the normal channels.

DENNIS KENNEDY

PROGRAMME FOR VISIT BY COMMISSIONER VARFIS ON 10 FEBRUARY 1986

10 February

10.40 am	Arrive Belfast International Airport
11.30 am	Briefing by DOE officials at Clarendon House
12.30 pm - 2.00 pm	Lunch at City Hall- hosted by Lord Mayor
2.00 pm - 4.00 pm	Tour of Belfast
4.15 pm - 5.00 pm	Press Conference at EC Office, Windsor House
5.30 pm	Culloden Hotel
6.30 pm - 7.30 pm	EC Information Display and Reception at Queen's University
8.15 pm for 8.30 pm	Dinner at Hillsborough Castle
11.30 pm	Depart for Culloden Hotel

11 February

6.15 am	Depart Culloden Hotel for Belfast International Airport
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EC INFORMATION DISPLAY AND RECEPTION

The information display entitled 'Plus 2 - Portugal and Spain in the European Community' has been mounted jointly by the Belfast Office of the European Commission and the Queen's University Working Party on European Community Studies to mark the entry of Spain and Portugal into the European Community. The information display will be combined with a reception in the Great Hall of Queen's University.

As it was known that Commissioner Varfis, who was then responsible for Regional Policy, was planning to visit Northern Ireland early in 1986 he was formally invited to be guest of honour at the reception and at the opening of the display. Commissioner Varfis graciously accepted the invitation and although following a reorganisation in the Commission he is no longer responsible for Regional Policy his current responsibility for the co-ordination of Structural Funds could also be very important for Northern Ireland.

The reception, which will be attended by approximately 150-200 people, will run from 6.30 pm - 8.00 pm although Commissioner Varfis is expected to leave at approximately 7.30 pm for his dinner engagement. There will be a series of short speeches from approximately 7.00 pm as follows:-

1. Professor Kirk, Senior Pro Vice Chancellor of QUB will welcome the guests (approx 5 minutes)
2. Commissioner Varfis will respond (approx 10 mins)
3. Dr Mawhinney will be given the opportunity to address the guests on this his first EC oriented engagement (approx 5 minutes)
4. The Honorary Consuls representing Spain (Mr Gerard McClure) and Portugal (Mr Cahil McQuillan) will make a very brief response on behalf of these countries (approx 2 minutes each)

Following this there will be a short presentation of prizes to students of the Faculty of Art and Design at the University of Ulster who took part in an art competition, organised by the EC office, based on the students' reinterpretations

of selected Iberian masterpieces. The best entries will be exhibited as part of the display.

A further element was added to the event when students of this Faculty agreed to produce a full-size replica of Picasso's "Guernica" as a backdrop to the display. Given the significance of the painting in terms of the history of democracy in Spain and of its general denunciation of violence, it was felt that this would form a very suitable addition to the exhibition.

INTEGRATED OPERATIONS: BELFAST

take

Commissioner Varfis in his role as Co-ordinator of Structural Funds may raise the question of Integrated Operations. If so the line to take is as indicated in Mr Spence's minute of 4/2/86 to PS/SOS ie

- (1) NI has well established systems for determining its public expenditure priorities and for co-ordinating the delivery of service at local levels;
- (2) NI has a clear strategy for job creation and maintenance;
- (3) greater co-ordination and integration of existing aid from the EC is not the answer to our problems; and
- (4) a special aid package is required related to the unique circumstances in NI and giving help which existing EC funds do not provide.

Background

1. Integrated Operations is an experiment in regional policy. The objective is to see, if by concentrating resources on a small clearly defined area of special deprivation, substantial improvement can be achieved. An Integrated Operations exercise tries to ensure that:-

- (a) local, national and EC resources are used to best advantage; and
- (b) administrative bottlenecks are removed.

Work on the Belfast Integrated Operations exercise commenced in 1979, culminating in a document which was presented to the EC Commission in 1981.

Present Position

2. After wide consultation with the Assembly, Councils, MEPs etc, a fresh document has been prepared in respect of Belfast. This new document is viewed in a different light from the earlier one. The Integrated Operations exercise itself is seen now as a continuous process with a need for frequent revision of the document.

Consequently the new document has been designed with two parts. The first, in narrative form, sets out the case for special action in Belfast. The second sets out in schedules a list of projects for which there is financial provision (£359m), a list of desirable projects for which there is not yet provision, and a list of possible actions in the private sector. These schedules will be updated regularly. The total comes to £700m. The new Belfast document was presented formally to the Commission on 21 February 1985 by Mr Patten.

3. The Regional Development Section of the EC Economic and Social Committee has set up an Integrated Operations Study Group to prepare an opinion on integrated operations. The Group is to visit Belfast on 19 and 20 February and a comprehensive programme is

being prepared by officials to allow the Group to meet a wide range of contacts with interest in the Belfast experiment.

Next Steps:

The Commission is using its Integrated Operations Studies budget to provide 75% of the cost of a NI Tourist Board study into the promotion of Tourism in Greater Belfast.

The Commission has been asked to grant aid from the Integrated Operations Studies budget a DOE Commissioned study on the revitalisation of the inner city reaches of the River Lagan.