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Meeting with Alasdair MacLaughlin Northern Ireland Director of
the Confederation of British Industry on 12 September 1986

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I met with Alasdair MacLaughlin of the CBI in Belfast on the 12 September. Mr. MacLaughlin who is the executive director of the CBI for Northern Ireland, is a Protestant born in Co. Antrim and has moderate unionist to Alliance Party type political views. During our conversation he outlined the bleakness facing the Northern Ireland economy and the worsening employment prospects for people there. Among the points he made were the following:

Causes of the present economic crisis

He believes the main reason for the depressed state of the economy in Northern Ireland is that the two primary sectors in Northern Ireland, Agriculture and Construction, have been adversely affected especially in the past year. The bad weather last year which seriously decreased farm incomes has led to unemployment in the agriculture sector and also of course has had a major knock-on effect in other industries. Machinery purchases and farm building construction which would have been entered into in a normal year have now been postponed or abandoned. The Construction industry on the other hand was dealt a very severe blow in 1985 by the decision of the British Government to reduce the proposed spending of the Housing Executive by over £40 m. This has resulted in the lay off of a considerable number of construction workers which in turn has had a major negative effect on the Northern Ireland economy because of the importance of the construction industry in retaining money in the economy. Apart from the foregoing and its effects on demand for goods in Northern Ireland export orders have also fallen.

Anglo-Irish Agreement and its effect on the Economy

He would not blame the Anglo-Irish Agreement for the economic crisis. The present decline in manufacturing and services had already begun in the autumn of 1985 and was well underway before the signing of the Agreement on the 15 November. The main economic problems in agriculture, construction and declining export markets would have occurred anyway and so it is less than honest to blame the overall bad economic situation on the Agreement. On the other hand some investment decisions had been cancelled or postponed as a result of the present political crisis and he was worried about the prospects of decline in industry or disinvestment because of this problem. (However see the CBI confidential survey attached).

Discrimination in Employment

While he agreed that Catholics had been grievously discriminated against in employment he believed that in the past five or six years valiant efforts were being made by industry to try to reverse this situation. Many industries were now genuinely committed to a policy of equal opportunity for both traditions but it should be appreciated that it would take a good deal of time before the employment figures, especially those for skilled or managerial positions, would show that both communities were fairly represented. In the meantime it was important to preserve the industrial base as the whole community would eventually benefit from it. On the question of whether Protestants, because of their traditional monopoly of particular industries such as engineering, would continue to enjoy an advantage over their Catholic neighbours he said that there had been noticeable changes in that area in recent years. He argued that many Catholic schools are now offering good science and technology courses because their lay teachers, who have the necessary qualifications, have changed from the emphasis on Arts subjects which was a feature of those schools when the majority of teachers were priests and religious.

Shorts

He was concerned that the present problems in Shorts would lead to a loss of orders especially from the United States. Shorts is one of the finest industries in Northern Ireland and any harm inflicted on it would be damaging for the area's industrial base. He pointed out that damage to Shorts would have a spin off effect on other businesses in Northern Ireland. 130 firms do business with the company and 30% of its expenses are paid to other firms in Northern Ireland. He knew Philip Foreman well and he was absolutely convinced that he was determined to carry out a policy of fair employment. No longer were foremen entitled to introduce and hire workers for the factory. Jobs were now advertised in the three newspapers, the Irish News, Belfast Telegraph, News Letter and middle management, who had special personnel training, were now interviewing job applicants. He hoped something could be done to counter Fr. Sean McManus and the Irish National Caucus in America in their efforts to prevent investment in Northern Ireland. He believed the McBride Principles would put America businessmen off investing in Northern Ireland and this could only be bad for everybody in the North. It was important to show that industry in Northern Ireland benefited all sections of the community and not just the loyalists.

Unionists

The Unionists make much of the fact that they were not informed about the Agreement before it was signed on the 15 November. However, he had it on good authority from a British source that James Molyneaux, as a Privy Councillor, was briefed about the Agreement by the British Government before the above date. (He would not talk further about this as he felt that he might have breached a confidence by mentioning it. However, I gathered that that briefing was substantial).

On the date of the protest march in Belfast unionists of every description showed up to display their fury at the Anglo-Irish Agreement. Even he and others from his building who never before participated in parades or protests walked in solidarity with others - even the DUP. However, many Official Unionists were greatly upset by the "Day of Action" on the 3 March. Harold McCusker said after of the people who had organised the strike that they were "thugs and glue sniffers". Most business people and other middle of the road unionists are concerned with the way the protest is now in the hands of hardliners.

While the Official Unionists are anxious about the effects the protest is having on business in Northern Ireland the DUP have no such qualms. Peter Robinson has said that he would destroy industry in Northern Ireland if he believed that it would get rid of the Anglo-Irish Agreement.

The Economy - future prospects

Confidence in the business community is at an all time low. Markets in Northern Ireland and outside are showing a fall off in demand and unemployment is likely to increase. The problems facing business are now complicated by threats from paramilitaries from both sides. The only bright spot for the near future is that investment intentions have shown an increase.

He believes an injection of funds from the British Government is badly needed especially in the construction industry and agriculture. However, he feels that they will do nothing to help and might even allow them "to stew in their own juice". The British Government were initially taken aback by the strength of the unionist reaction against the Agreement but

they are now determined to face the unionists down even if that means allowing the Northern Ireland economy to suffer.



Liam Canniffe.

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