



FROM THE AMBASSADOR

APR 27

BRITISH EMBASSY,
WASHINGTON, D. C.
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13 MAY 1986

1 May 1986

The Honorable
Mario M Cuomo
Governor of the State of
New York
The Executive Chamber
Capitol
Albany
New York 12224

1) cc: (fax)
Mr Clark RID
Mr Hucke BL
(bag)
Mr Bell NIO (L)
Mr Silliman NIO (R)
Mr McCallister FOR
Mr Wilson DED
Miss Mills Dublin
Mr Burns / Mr Pallen /
Mr Harris

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NO
2/v

Dear Mr. Governor,

NORTHERN IRELAND: FAIR EMPLOYMENT AND THE MACBRIDE PRINCIPLES

You will be aware that the New York State Senate has passed a Bill which, if enacted, would encourage the State Comptroller to remove State Pension Fund investments from companies operating in Northern Ireland which do not comply with the so-called MacBride Principles. This Bill is likely to be considered next week by the House of Representatives and may therefore come before you soon. I am writing in order to register with you my Government's clear opposition to this Bill.

We have two main objections to the MacBride principles. First, effective steps have already been taken to establish the principle of fair employment in Northern Ireland. The Fair Employment Act of 1976 is based on the principle of equality of opportunity: reverse discrimination and the imposition of quotas are now illegal in Northern Ireland, as elsewhere in the UK.

The Fair Employment Agency, an independent statutory body, is responsible for enforcing this legislation. It is about to receive a significant increase in its resources; and the UK Government continues to attach a high priority to improving fair employment practice across the board. The Agency encourages firms to increase applications from minority communities and to improve their recruitment and other relevant management practices. But when it comes to a decision to recruit, to promote, or to appoint, say, to a training scheme, the law states that the decision must be based on merit alone and not on preferential treatment for one side or the other.

The MacBride Principles go beyond this principle of equality of opportunity by requiring preferential and discriminatory treatment. To insist that US corporations adhere to these Principles would therefore put them into conflict with the law in Northern Ireland.

/Secondly



Secondly, though no less important, the adoption of legislation requiring the application of the MacBride Principles would deter rather than encourage potential US investment. The proponents of this legislation claim that their goal is not to injure the Northern Ireland economy. But in fact the Bill encourages the Comptroller in terms to remove investments from US firms which "refuse to comply with the MacBride Principles": it therefore has an unambiguous divestment element. But more widely than what will help reconciliation in Northern Ireland is investment from abroad, not pressure for divestment. The MacBride Principles are seen, and will continue to be seen by US corporations as an obstacle to US investment there: the effect of the legislation would therefore have effects precisely opposite to those of the US economic assistance package which is now under consideration in the US Senate, having already been approved in the House of Representatives, at Speaker O'Neill's urging.

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I find it very surprising that the New York State legislature should be considering a measure which would undercut the proposed package. Is this really the message New York State wants to send to the people of Ireland?

I am sure that you will wish to give this legislation your personal attention and scrutiny. I and my staff in Washington and New York are at your disposal should you wish to discuss the issues it raises.

Yours sincerely

Oliver Wright