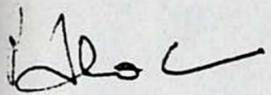


Miss McAllister

MINISTERS ATTENDANCE AT CONSUL GENERAL'S LUNCH

In response to your request of 22 January 1987 I attach part briefing for the Minister for the above function. We have incorporated Mr Wolstencroft's contribution in this brief and have forwarded details of MacBride related issues on specific companies to IDB for incorporation in their briefing.



P THOMPSON

EOC/FEA Liaison Branch

Department of Economic Development

Arches Centre

11/13 Bloomfield Avenue

BELFAST BT5 5HD

29 January 1987

cc Mr Wilson

Mr Gowdy

Mr Wolstencroft

CONFIDENTIAL

MINISTER'S ATTENDANCE AT US CONSUL GENERAL'S LUNCH  
THE MACBRIDE PRINCIPLES

Background Note

1. US companies with Northern Ireland plants are being pressurised to adopt the MacBride Principles, ostensibly a set of fair employment principles and named after Sean MacBride the Nobel Peace Prize winner. (Copy at Annex A). The pressure is being exerted through Federal and State legislation, City Council Resolutions, and Shareholder Resolutions designed to encourage companies doing business in Northern Ireland to adopt the MacBride Principles. Withdrawal of investment is in prospect if they refuse to do so.
2. The main proponents of the campaign are the INC (Director, Fr Sean McManus) and Mr Harrison Goldin, Comptroller of New York City. Goldin's involvement is politically motivated and designed to appeal to the Irish-American vote.

Government's Attitude

3. Government is opposed to the MacBride Principles and has argued that they are unnecessary (not because disadvantage does not exist but because of Government's own actions and commitment to securing effective progress in this area) and counter-productive (since the confusion and difficulties which they create for companies will discourage investment and reduce job opportunities for Catholics and Protestants alike).
4. The legality of the Principles has also been an issue and HMG has used this argument in the past. The MacBride lobby maintains that the Principles are compatible with Northern Ireland law and the Principles were amplified in February 1986 with this presentation in mind. HMG statements have avoided a direct expression of legal opinion by Government (which is generally discouraged in any event) replying instead on the view of the Fair Employment Agency as the relevant law enforcement body in this area. The Agency is on record as considering that a number of the Principles contemplate preferential and discriminatory treatment which is illegal in Northern Ireland and that companies operating such Principles could be held to be acting unlawfully.

Not for  
disclosure

\*Our own legal advisers consider that the Principles do not require action outside Northern Ireland law though it is also the case that

the Principles could be implemented in a way contrary to Northern Ireland law.

5. Mr Myers produced an article on "Why investors say 'no' to Northern Ireland" which was published in the January edition of Boardroom (see Annex B). The article attacks sectarian violence and sectarianism in the workplace and comments that "American businessmen would find Northern Ireland to be a more attractive place to invest if
- (i) there was less sectarian violence in the workplace, including verbal intimidation;
  - (ii) there was equality of opportunity in employment; and
  - (iii) sectarian politics were in no way allowed to impinge on the activities in the workplace".

The article goes on to acknowledge the commitment of Government and hundreds of local businessmen to such a programme.

6. The Minister might draw Mr Myers' attention to the initiative by NIC/ICTU in October 1986 when it issued a "Statement of Principles and a Message to every Trade Unionist" to "Stand together for Peace, Work and Progress". He might also comment that the issue of sectarianism is covered in the draft revised Guide to Manpower Policy and Practice. The Guide, which is currently for consultation, is intended as a practical, down-to-earth handbook for employers, trade unions and others. Amongst other things it suggests that employers and trade unions should co-operate in the development of a Joint Declaration of Protection which would
- (a) recognise the right of all workers to work without intimidation or harassment;
  - (b) seek to secure the safety of employees from intimidation or victimisation in the workplace; and
  - (c) discourage the creation of an intimidating working environment or atmosphere (eg by the deliberately provocative display of posters, flags, insignia or other articles likely to give offence or cause apprehension among certain employees).

7. The Minister will wish to emphasise both HMG's commitment to greater equality of opportunity in employment and the importance of continued US investment to the success of its strategy. The proposals set out in the recent Consultative Paper on equality of opportunity and the draft revised Guide to Manpower Policy and Practice are testimony to HMG's determination to make progress on this fundamental issue.
  
8. HMG's strategy has 4 key points
  - (i) economic sanctions in the private sector;
  - (ii) a statutory duty in the public sector;
  - (iii) more effective monitoring practice;
  - (iv) a stronger administrative framework which puts more emphasis on the importance of investigation/promotional/developmental work.
  
9. The Minister might wish to point out the broad thrust of HMG's proposals are in line with employment equality practice in many parts of the US. But he will also wish to stress that more jobs are needed to make the strategy effective; the importance of encouraging new investment from the US and the expansion of firms that are already established in NI can hardly be over-emphasised.
  
10. Officials do not regard Mr Myers' article as helpful in the context of the MacBride debate. Its overall tone is far from positive and his remarks are liable to be used selectively by MacBride proponents in the US. Part of the answer, of course, is for companies who are the subject of shareholder resolutions to ensure that their employment practices are beyond criticism, though this is easier said than done. Continued company resistance to the MacBride Principles is clearly desirable. In extremis companies, may consider the formulation of company employment guidelines based on the Department's draft Declaration of Practice contained in the recent Consultative Paper, as an alternative to MacBride resolutions.
  
11. Historically Catholics in Northern Ireland have not received the same employment opportunities as Protestants and significant differences

remain. Although progress is being made Catholic unemployment is still twice that of Catholics.

12. Two of the companies represented at the lunch (DuPont and Hughes Tool) have been investigated by the FEA and have agreed affirmative action programmes. The religious breakdown of the workforce at Du Pont is fairly close to that of the area in which it is located. Hughes Tool is situated in East Belfast, employs few Catholics and has had difficulty in attracting Catholic recruits although it is not in any case recruiting many workers. Gallahers, who employ a low proportion of Catholics, are co-operating with the FEA in setting up a monitoring programme. Fisher Body, although it has a plant in Kennedy Way, employs few Catholics at its main Dundonald plant. There was a partial walk-out at Dundonald following a visit by Sister Regina Murphy (a MacBride proponent) to the factory last year. We do not have information about the other companies.
  
13. Briefing on a line to take on the MacBride Principles and on employment equality are attached at Annexes C and D. IDB briefing on the companies which will be represented at the meeting will cover their experience of any attitude to the MacBride Principles.

## The MacBride Principles for Northern Ireland

The full text of the MacBride Principles is reproduced below. Also below, in italics, is the amplification to the principles issued by Dr MacBride in 1986.

In light of decreasing employment opportunities in Northern Ireland and on a global scale, and in order to guarantee equal access to regional employment the undersigned propose the following equal opportunity/affirmative action principles:

1. Increasing the representation of individuals from under-represented religious groups in the workforce including managerial, supervisory, administrative, clerical and technical jobs.

*A workforce that is severely unbalanced may indicate prima facie that full equality of opportunity is not being afforded all segments of the community in Northern Ireland. Each signatory to the MacBride Principles must make every reasonable lawful effort to increase the representation of under-represented religious groups at all levels of its operations in Northern Ireland.*

2. Adequate security for the protection of minority employees both at the workplace and while travelling to and from work.

*While total security can be guaranteed nowhere today in Northern Ireland, each signatory to the MacBride Principles must make reasonable good faith efforts to protect workers against intimidation and physical abuse at the workplace. Signatories must also make reasonable good faith efforts to ensure that applicants are not deterred from seeking employment because of fear for their personal safety at the workplace or while travelling to and from work.*

3. The banning of provocative religious or political emblems from the workplace. Each signatory to the MacBride Principles must make reasonable good faith efforts to prevent the display of provocative sectarian emblems at their plants in Northern Ireland.

4. All job openings should be publicly advertised and special recruitment efforts should be made to attract applicants from under-represented religious groups.

*Signatories to the MacBride Principles must exert special efforts to attract employment applications from the sectarian community that is substantially under-represented in the workforce. This should not be construed to imply a diminution of opportunity for other applicants.*

5. Layoff, recall, and termination procedures should not in practice, favour particular religious groupings.

*Each signatory to the MacBride Principles must make reasonable good faith efforts to*

*ensure that layoff, recall and termination procedures do not penalize a particular religious group disproportionately. Layoff and termination practices that involve seniority solely can result in discrimination against a particular religious group if the bulk of employees with greatest seniority are disproportionately from another religious group.*

6. The abolition of job reservations, apprenticeship restrictions, and differential employment criteria, which discriminate on the basis of religion or ethnic origin.

*Signatories to the MacBride Principles must make reasonable good faith efforts to abolish all differential employment criteria whose effect is discrimination on the basis of religion. For example, job reservations and apprenticeship requirements that favour relatives of current or former employees can, in practice, promote religious discrimination if the company's workforce has historically been disproportionately drawn from another religious group.*

7. The development of training programs that will prepare substantial numbers of current minority employees for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade, and improve the skills of minority employees.

*This does not imply that such programs should not be open to all members of the workforce equally.*

8. The establishment of procedures to assess, identify, and actively recruit minority employees with potential for further advancement.

*This section does not imply that such procedures should not apply to all employees equally.*

9. The appointment of a senior management staff member to oversee the company's affirmative action efforts and the setting up of timetables to carry out affirmative action principles.

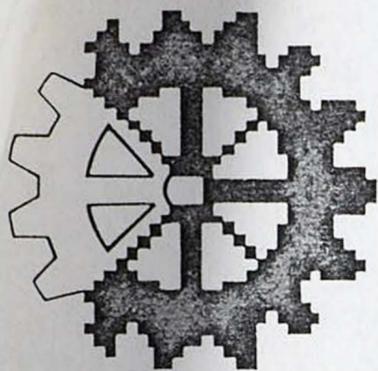
*In addition to the above, each signatory to the MacBride Principles is required to report annually to an independent monitoring agency on its progress in the implementation of these principles.*

Sean MacBride - Dublin, Ireland

Dr John Robb - Ballymoney, Northern Ireland

Inez McCormack - Belfast, Northern Ireland

Fr Brian Brady - Belfast, Northern Ireland



# INDUSTRY YEAR

## Matters

### Northern Ireland

### January

#### ROBERT P MYERS JNR, THE AMERICAN CONSUL GENERAL—WHY INVESTORS SAY 'NO' TO NORTHERN IRELAND

**"We love the Northern Irish but...."**



Ever since I arrived in Northern Ireland, I have been impressed by the attractive climate which exists locally for foreign investment.

My talks with representatives of various US companies here have reinforced that first impression with hard facts. American employers speak positively of high productivity rates, the skill, honesty and loyalty of their workers, low absenteeism, competitive wage levels, and such basics as

a common language and shared system of law.

If Americans here are so satisfied, why is it that there have been no new US businesses established in Northern Ireland since 1984.

I think the answer is relatively simple. In the first place, given the depressed state of the world economy, US companies are being avidly courted by numerous suitors, including other members of the EEC such as Spain and Greece.

Second, any businessman has to feel "comfortable" with his decision to invest his

money overseas. Sometimes cultural differences, such as language or an alien political system, can "turn off" a particular potential investor.

While such differences are not a problem here, I sense that two aspects of northern life make American investors feel uneasy. One is sectarian violence and the other is sectarianism in the workplace including discrimination in hiring practices.

The first, sectarian violence, while the perception is often worse than the reality, remains a common concern. Indeed, what I would call "verbal violence," can be just as intimidating to a potential investor as violence itself.

*Continued on page VIII*

**At the start of a new year designed to change attitudes towards industry, two 'outsiders' look at the NI economy.**

**Inside—the facts about the 'Ulster work ethic' and what the public thinks about the professions.**

**"But it comes from Northern Ireland.... doesn't it?"**



There is an enormous unexploited scope for the development of trade between Northern Ireland and the Republic.

At present, manufacturing firms supply about 3.5 percent of total imports into the Republic. On the other hand about 6 percent of exports from the Republic are sold to Northern Ireland.

Manufacturing firms in the Republic sell about 30 percent of their output on the home market, or about £4.000 million annually.

However, NI industry sells only a little over £300 million a year to the Republic. Since Northern Ireland industry is about half the size of industry in the Republic it should not be impossible to contemplate target sales of at least £1.000 million.

These sales do not have to be at the expense of Irish manufacturers since the Republic currently imports products, components and raw materials valued at £9.000 million, of which only £3000 million come from Northern Ireland.

The advantages of increasing the market

share held by Northern Ireland products on the Southern market could be very significant in employment terms. Thus, if it were possible to increase the Northern share of Southern imports from £300 million to £1.000 million (ie from 3.5 percent to 11 percent) I estimate that this would result in 25.000 additional jobs in the Northern economy.

The nature of North/South trade reflects the advantages of low transport costs, and similar consumer taste. For example, Northern Ireland is a major market for beverages taking 13 percent of the Republic's export: for non-metallic mineral manufactures taking 14 percent; for sugar

*Continued on page III*

#### LIAM CONNELLAN, DIRECTOR GENERAL, CONFEDERATION OF IRISH INDUSTRY, ON SOUTHERN OPPORTUNITIES

#### Training benefit....

More than 1,300 staff have benefitted from Catering Industry Board training courses during the year.

Harry Toner, chairman (left), with Ben Kirk, Frank Harvey and Bill Heaney, chief executive.



#### Having your cake....

John Simms (second right) managing director of Bass Ireland presents a celebration cake to Brendan Harkin, chairman, Industry Year and Sean McGarry co-ordinator. Also in the picture is Peter Chester Williams, personnel director of Bass Ireland.



# Bank of Ireland works for Industry.



In Northern Ireland, Bank of Ireland works. Works to provide industry with the money it needs. Works to offer industry the advice it requires. Works to help industry build vital new jobs.

In Northern Ireland, Bank of Ireland works. Try us. And see.



## Bank of Ireland

John H. Stanley, Director - Northern Ireland  
P.O. Box 13, 54 Donegall Place, Belfast, BT1 5BX.  
Telephone: 244901 Telex: 74327.

Myers...  
"We love the Northern Irish but..."

*Continued from page 1*

The second, sectarianism, in the workplace, is also very unsettling for potential American investors. Some argue that foreign investors will not be as affected by such a problem as traditional local employers are, but this is small solace to a foreign investor who can go to other places where such problems do not exist at all.

I can vividly remember the disbelieving look on the face of a visiting American businessman whose company was exploring the possibility of making an investment in the Province as I tried to explain to him why 1,000 workers were out in the street protesting over the issue of flags and emblems in the workplace. He was incredulous.

Another thing that American businessmen would like to avoid is some kind of controversy at the annual meeting of their company stockholders which puts their overseas operation in a bad light. The spectacle of well-intentioned stockholders disrupting such a meeting because of their concern over perceived human rights problems in the country where a plant is located is not only embarrassing, but could interfere with the unfettered operation of that business, or even result in its eventual closing.

So what is the answer?

It's not really for an outsider to say, but I think it fair to observe that American businessmen would find Northern Ireland to be a more attractive place to invest if (1) there was less sectarian violence, including verbal intimidation, (2) there was equality of opportunity in employment and (3) sectarian politics were in no way allowed to impinge on the activities in the workplace.

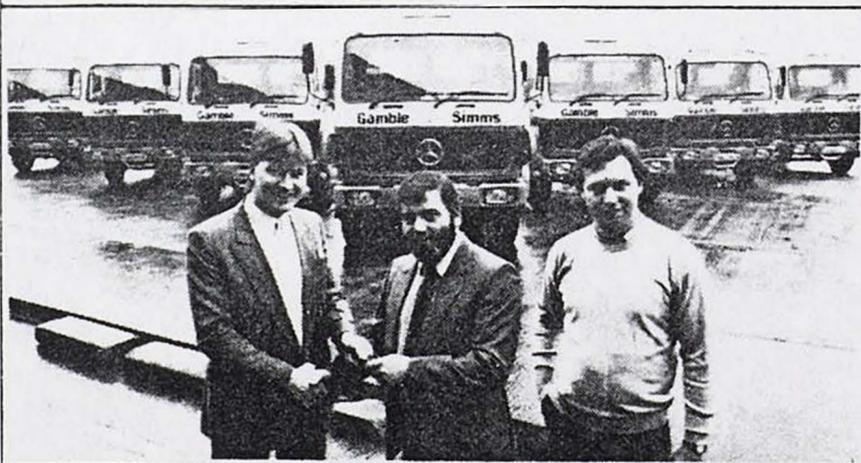
I know that the Government is committed to such a programme, as are hundreds of local businessmen.

I intend to go on urging American businessmen to invest in Northern Ireland and I believe that, if progress can be made in these areas of concern, the Province will be successful in attracting and retaining new US investment in the years that lie ahead.

### Fast Fleet....

Many NI companies—like Gamble Simms, the Lisburn based steel company—cover the whole of Ireland.

At a Mercedes fleet handing over ceremony, Robert Dale (centre) is presented keys by John and Daniel Walsh of Walsh Bros. Mallusk.



### Accountants across the border...

Maurice Tempny (centre) of the Institute of Chartered Accountants in Ireland recently visited the Province to meet NI members. He is seen with Bruce McCormack (right), of the Ulster Society and Cecil Donovan.



## MACBRIDE PRINCIPLES - LINE TO TAKE

- HMG sensitive to disproportionate effect of unemployment on Catholic community
- Understands US interest in fair employment in Northern Ireland
- But rejects MacBride Principles as inappropriate and counter-productive:  
UK Government action is best basis for progress (see separate note on HMG's own proposals)
  
- Campaign will discourage and damage, rather than assist, investment in Northern Ireland - bad for Catholics and Protestants alike
  
- Requirement is more investment, more jobs, not ill considered remedies which confuse employers regarding their responsibilities under the law
  
- Alternative set of principles confusing: companies should relate to and support FEA. Guiding principles of Northern Ireland law are equality of opportunity, no discrimination on religious or political grounds, recruitment solely on merit.
  
- Conflicting legal views on compatibility of Principles with Northern Ireland law (refer to FEA view in Tenth Annual Report). The primary responsibility of US companies in Northern Ireland is to adhere to Northern Ireland law.
  
- None of major constitutional political parties in Northern Ireland (including the main Catholic Party, the SDLP) have endorsed the MacBride Principles.
  
- The most telling response to the MacBride campaign is genuine and whole-hearted commitment to equality of opportunity by each and every company.

## EMPLOYMENT EQUALITY

### Line to Take

1. HMG is committed to more effective employment equality practice and determined to ensure more equitable distribution of job opportunities between Protestants and Catholics. The recent publication of the Consultative Paper and draft revised Guide are testimony of HMG's good faith.
2. A vigorous "four point" plan is proposed:
  - (i) economic sanctions in the private sector - the Government only doing business with, and giving grants to, companies that have signed a new Declaration of Practice;
  - (ii) a statutory duty on the public sector - requiring all public sector bodies to follow the NICS model and practice employment equality;
  - (iii) thorough monitoring - a revised Guide to Manpower Policy and Practice will spell out for employers what they are required to do to promote equality of opportunity in the workplace;
  - (iv) a stronger administrative framework - either a re-structured Fair Employment Agency with improved investigation facilities; or an enlarged agency dealing (on the US analogy) with sex and disability and also incorporating improved investigation facilities.
3. Effectiveness of this strategy is dependent upon creation of more new jobs. There is a need for increased investment/economic expansion in the province and further US investment is essential if this is to be achieved.
4. The Government has included in the revised draft Guide a proposal that employers and trade unions should agree on a Joint Declaration of Protection aimed at eliminating intimidation, harassment and victimisation in the workplace.