



INTERNAL MEMORANDUM

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cc Mr Dowdall O/R  
Mr Wilson, DED  
Mr Musgrave  
Mrs Browne

*Handwritten notes:*  
① Copy to the committee  
② File in the MacBride  
Miss [Signature]

To: Miss M McAllister  
Co-Ordination Branch

From: D C Gowdy

Date: 29th January 1987

MINISTER'S ATTENDANCE AT US CONSUL GENERAL'S LUNCH

This note provides some supplementary briefing for the Minister on the effects of the MacBride Principles on those US Companies which will be represented at the lunch.

As the Minister will be aware, the MacBride Principles are currently a source of annoyance to a number of those US Companies with plants in Northern Ireland. The campaign has been conducted with vigour on the East Coast of the US and it is clear that a number of the companies are becoming quite rattled by the continuing pressure. IDB is concerned about the long-term effect of this pressure on the companies' perception of Northern Ireland as an investment location. Much of the work of the IDB on this front both in NI and the US is directed towards providing reassurance and guidance to companies in dealing with the MacBride campaign. The OPOs maintain regular contact with the companies in the US and a series of meetings have been held with the companies in Northern Ireland to discuss the implications of the MacBride campaign.

The current position with those companies represented at the Consul General's lunch is as follows:-

DU PONT (UK) LIMITED

A resolution has been tabled for the shareholders meeting due to take place on 4th May 1987 asking the company to adopt the MacBride Principles. This is the first time such a resolution has been tabled against this company. However, the company believes that adoption of the MacBride Principles is unnecessary in the light of both the practices it applies and the Fair Employment legislation in Northern Ireland. The company will oppose the resolution and it is considered that it will have little chance of success at the meeting. Moreover, the company was quoted as opposing the MacBride Principles in an article which appeared in the Wall Street Journal on 20th January. The company believes that it is in a fairly defensible position because its employment profile at Maydown broadly reflects the local population. There have, however, been some criticisms of inequitable representation in senior staff positions, although these are largely specialist posts requiring wider catchment.

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HUGHES TOOL COMPANY LIMITED

A resolution on the MacBride Principles was submitted to the shareholders at the 1986 meeting but was rejected. To date no resolution has been submitted for the 1987 meeting. The company has always taken a fairly bullish attitude to the MacBride campaign but it is clear that they do not welcome continued pressure from the MacBride proponents. The composition of the workforce in Belfast is largely Protestant and its location does not lend itself easily to the attraction of Catholic workers. The company insists, however, that it applies fair employment practices in its personnel and recruitment policy.

GALLAHER LIMITED

The Gallaher parent company, American Brands, has experienced considerable pressure on the MacBride issue. When they were first faced with a shareholders resolution in 1986 the company obtained Securities Exchange Commission support for their refusal to circulate the resolution on the grounds that it would put the company into conflict with NI Law. The issue went to Court and the US District Court ruled that the resolution should be put to the shareholders on the grounds that the MacBride Principles could be implemented without contravening NI Law. In the event the shareholders rejected the resolution. A further resolution has been tabled for the shareholders meeting on 8th May 1987. The company believes that the resolution will be defeated but they are increasingly concerned at the pressure which the MacBride campaign is exerting upon them. The company's employment position is rather vulnerable since most of its employees are drawn from Protestant areas. The company is, however, co-operating with the FEA in looking at its employment and recruitment practices.

HYSTER (NI) LIMITED

The company is a privately-owned one and it has not to date experienced any pressure on the MacBride front. Company management is of course aware of the MacBride campaign but to date it has not been a major concern for them.

CAMCO LIMITED

The company has not to date reported any great difficulty on the MacBride issue. However, the company is aware of the

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MacBride campaign and has todate adopted a fairly bullish attitude towards it when discussing it with IDB.

FISHER BODY

General Motors, the Fisher Body parent company, has been facing sustained pressure on the MacBride Principles in the US. This pressure has been a source of great concern to the company and it is known that it provoked a review of the Northern Ireland position late last year. Although this review did not lead to any radical change in the company's attitude towards their investment in NI, there must be concern at the longer-term effects of the MacBride campaign on the company's pre-disposition to undertake further investment in the Province. The company had a shareholders resolution in 1986 but it was defeated and did not receive sufficient support to qualify for re-submission in 1987. However, it is anticipated that a resolution or resolutions with alternative working will be put forward this year. In anticipation of continued MacBride pressure the company have been developing a statement incorporating a set of principles which would be analogous to the MacBride Principles but which would not raise any potential conflict with NI Law.

A V X LIMITED

Although the company is aware of, and is opposed to, the MacBride Principles it has not apparently had any pressure todate on the issue.

MUELLER FLOW PRODUCTS

The company is apparently receiving frequent representations on the MacBride Principles in the US. There was a report that the company were prepared to introduce a form of the MacBride Principles insofar as they were consistent with existing NI Law but this has not been confirmed.

Apart from those companies represented at the lunch, the Minister may also wish to be aware that other US companies operating in the Province have been facing pressure on the MacBride issue. In particular, Ford has been at the receiving end of perhaps the greatest pressure in the US, with shareholders resolutions and a threatened boycott of their products. TRW, American Home Products, VF Corporation, United Technologies and



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the Ball Corporation have also received representations and shareholders resolutions on the MacBride issue.

I hope that this briefing material is sufficient for the Minister's lunch with the US Consul General and the US Companies.

A handwritten signature in dark ink, appearing to read 'D. C. Gowdy'. The signature is written in a cursive, somewhat stylized script.

D C GOWDY