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3 May, 1993

Pages only (including this cover sheet)

Subject: Speech Sir Patrick Mayhew

There follows the text of a speech made by Sir Patrick Mayhew at lunch this afternoon. The lunch, paid for by the TDB, was hosted by Bill Flynn of Mutual of America. There were 50/60 influential Irish Americans at the lunch, the vast majority of them in the business and media fields.

The Secretary of State's speech was not well received as was evident from many private comments made afterwards. As one participant mentioned "there was no message in the speech. I am no more inclined to invest in Northern Ireland now than before and I am unconvinced of the British Government's willingness to deal with nationalist concerns there".

People were particularly critical of his comments on security and confidence issues and what they saw as an attack on the MacBride Principles. I think it is fair to say that there is no center to the speech and that it seeks to cover too much ground in too short a space. In my view a good opportunity to influence Irish Americans has been lost by the British.

Both Niall O'Dowd of the Irish Voice and Claire Grimes of the Irish Echo were at the lunch and reacted negatively to the Secretary of State's remarks, which is likely to be reflected in their comments in their newspapers.



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Monday 3 May 1993

The following is the edited transcript of a speech made by Sir Patrick Mayhew QC MP, Secretary of State for Northern Ireland, at the 21 Club, New York City, on Monday, 3 May, 1993

Northern Ireland

Introduction

I am very grateful to Bill Flynn of Mutual America for co-hosting this lunch along with the IDB. I want to thank Bill for his own work to further peace and prosperity in Northern Ireland, such as the "Beyond Hate" conference in Londonderry in September 1992.

The Republic of Ireland is symbolised today by the presence of their respective consuls general to New York - Alistair Hunter (UK) and Daithi O'Ceallaigh (ROI).

It gives me great pleasure to address such a distinguished business gathering.

US Investment

The views of people in the USA are of the greatest importance to the Prime Minister and me as we take forward the British Government's policies on Northern Ireland. This is not only be-

cause of the close affinity which your country naturally has with the island from which - is it over 40 million of your citizens - claim descent. It is also because US inward investment is the single most important source of economic investment for Northern Ireland. In the last five years, US companies have invested over \$850m in Northern Ireland, worth over 4,400 new jobs. Overall, some 38 US companies employ over 8,500 people - about 9% of the total manufacturing workforce in Northern Ireland.

That is not just altruism. In fact I don't suppose it's altruism at all. Northern Ireland is one of the most profitable locations for investment in Europe. My reasons for saying that include its competitive cost base, low corporation tax, top quality infrastructure, excellent industrial relations record, consistently impressive educational results, first class research facilities, highly motivated workforce and the most attractive package of financial incentives in Europe. And of course Northern Ireland offers full, tariff-free access to the European Single Market of 340 million people.

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So I know it isn't altruism: because far more business people will pursue profit than will pursue altruism, generous to a fault though we know Americans to be. US businesses who have recently expanded their operations in Northern Ireland, or started new ones, have a good story to report back home. They include Fruit of the Loom, United Technologies, American Home Products of New York and Seagate Technology (who chose Northern Ireland from 15 possible locations.)

And economic growth in Northern Ireland is not just in manufacturing. For example, over the last seven years property investment in downtown Belfast alone, has totalled almost \$1 billion.

The Strategy

The Government pursues a fully worked out, coherent and integrated overall strategy for Northern Ireland.

We do so, not because our Government has any self-serving strategic or economic interest in Northern Ireland - for we do not - but because we have a duty to provide good government for the people of Northern Ireland, as we do for all the other parts of the United Kingdom. Northern Ireland is within the United Kingdom for just the same reason as the other parts are - that is, because most people who live there want it that way. That is what sustains the continuance of Northern Ireland's status in national and international law.

Relationship with the Irish Government

In providing that Government we work very closely with the Irish Government. John Major has regular meetings with Albert Reynolds. I have a comfortable and businesslike relationship with my co-Chairman of the Anglo-Irish Conference, Dick Spring, the Irish Taoiseach and Foreign Minister.

The Anglo-Irish Agreement is important in many ways. Not least is its recognition, by both the British and Irish Governments, that the status of Northern Ireland should depend on the consent

of a majority of the people in Northern Ireland. That is both a fair principle and a source of stability.

The Talks

The British and Irish Governments are each totally committed to defeating terrorism, and to making political progress. Here the political talks process is very much alive. Round Two came to an end in November. But at that point the participants - the two Governments and the four main constitutional parties in Northern Ireland - agreed that further dialogue was both desirable and necessary.

That has been going on. There have been many constructive contacts. These have been on substantive issues - such as human rights - as well as on procedural ones.

My aim, which the Irish Government shares, is to reconvene multi-lateral talks very soon. The Prime Minister made clear our commitment to do so when he visited Northern Ireland last month. I am now consulting the other participants with the aim of making a determined push within the next few weeks.

The British Government will table a document at the beginning of reconvened talks. It will suggest that we build on the very substantial areas of agreement which emerged during Round 2. It won't be a plan to which we shall be trying to get everyone else to conform. It won't be a blueprint. But it will represent our ideas as to the direction for advance. We intend it to give that advance some impetus.

I want you to be in no doubt that the talks process has already achieved far more than the pundits thought possible. Much essential ground clearing has been carried out. Historic milestones were passed. There has been wide agreement on the underlying realities, on underpinning principles, and on identities.

But, more than that, a great deal of detailed work was done, during the most recent phase,

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on possible new arrangements, whether in Northern Ireland, within the island of Ireland, or between the two Governments. There was real engagement and real commitment.

This work has not yet been completed. But I firmly believe that an overall settlement is achievable. And that is not just my view. It was shared, and publicly stated, by the independent chairman, the distinguished Australian judge Sir Ninian Stephen.

The talks process has wide and deep public backing in Northern Ireland, in the rest of the UN, and in the Republic of Ireland. Church leaders, businessmen, community leaders and ordinary citizens have repeatedly made this clear. John Hume tells me that in 20 years he has never had a post bag so heavily and strongly urging political progress. This is spontaneously confirmed to me wherever I go in the Province. The Prime Minister took away the same message from his recent visit.

Why is there this support for the talks process?

An agreed accommodation resulting from the talks would, I am quite sure, hasten the ending of terrorism. The talks offer the prospect of a new start for all the key relationships. That would establish the conditions for a more peaceful, stable, prosperous, and satisfyingly governed society. That is why the talks put pressure on the terrorists. That is why they are against them.

While the talks process remains this potential, the priority must be to carry it forward, not cut across it or duplicate it.

That is why the strong support of President Clinton for the talks process is so important to us.

What, you may say, about Sinn Fein? Why are you not talking to a political party which has commanded more than 10% of the vote in various elections in Northern Ireland (although most recently less than 2% in the Republic)?

The answer - and it is one which Dick Spring

gives as readily and as firmly as I - is that Sinn Fein exclude themselves by their continued espousal of violence. You cannot have political talks with people whose friends, with their endorsement, claim and exercise the right to supplement their argument by means of killing, maiming, destruction, threats and racketeering, rather than holding to the constitutional and democratic pursuit of political objectives.

The British Government does not exclude from discussion any legitimately and constitutionally expressed objective. Any major party which had genuinely and sufficiently shown, over a period, long enough to satisfy sceptical minds, that it was not associated with violence, could join the talks so far as we are concerned. But mark well the condition. Their activities must be constitutional and democratic, - to the absolute exclusion of anything else.

Security

I know of the concern in the USA in some quarters about whether the security forces are violating human rights in Northern Ireland. I understand that completely. We have been fighting terrorism for more than 20 years, under the rule of law. Allegations of misconduct are easily made, and sometimes tactically made. And negative propositions, in rebuttal, are, in the nature of debate, often difficult to prove. So I want next to tell you how I see this topic.

Belfast is not Beirut or Sarajevo. Northern Ireland as a whole has a lower homicide rate than many major cities in Europe, lower than in 36 US states, and the lowest crime rate in the UK.

Nevertheless, there are well established and ruthless terrorist groups from both sides of the community in Northern Ireland. What happened at the World Trade Centre here was a terrible reminder of the means terrorists employ to serve their undemocratic ends.

It is a fundamental imperative that the security forces - whether police or soldiers acting in their support - must operate strictly within the rule of

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law. The only people in Northern Ireland who pursue a shoot to kill policy are the terrorists. If someone is killed or injured by a policeman or a soldier in the course of their duty, there are strict requirements for the investigation of such incidents, for independent oversight where necessary, and for an independent decision to be taken on whether prosecution should follow. Any judicial finding and sentence are, of course, entirely independent of government.

The reality is that we must strike a balance in Northern Ireland, as anywhere else, between protecting rights and protecting the people. I constantly review whether the balance is right. I am always ready to look at proposals for adding to the protections for human rights.

But who are the real violators of human rights in Northern Ireland? Not the police and the army. They have the roles they have because the people of Northern Ireland must be protected against those who want to take away their freedom of speech, deny their freedom of uncoerced political opinion, invade their privacy, violate their family lives, destroy their prosperity, damage their property, destroy their health, and even take away their right to life itself.

John McGrath, a member of the NORAID delegation to Northern Ireland in 1991, showed his endorse the right of the IRA to fight for freedom".

The people of the USA have become increasingly aware what such "freedom fighting" amounts to - the maiming and murdering of innocent civilians, sometimes including children, in Northern Ireland and in Great Britain, such as happened on Remembrance Day in Enniskillen, in the weekend atmosphere of the shopping centre in Warrington in March and in the city of London ten days ago. Similarly on the so-called loyalist side we have seen the gunning down of Catholics for no reason other than that they belong in that side of the community. But even the most chilling evil cannot keep out good - as the revival of the peace movement in Ireland after Warrington has shown.

Confidence Issues

We recognise, of course, how vital it is for the security forces to win and maintain the confidence of all sides of the community.

The most recent of the many measures taken in pursuit of this agenda in Northern Ireland include creating an Independent Assessor of Military Complaints procedures and an independent Commissioner for the Holding Centres; a continuing increase in the levels of Police officers accompanying army patrols; identification cards carried by army patrols for production on request to members of the public; and very shortly publication for consultation of statutory codes of practice setting out the rights of people detained under the emergency powers.

Socio-Economic Policies

Finally, I want to pick out just a few of our many economic and social initiatives. I will concentrate on what is happening now rather than earlier improvements - such as the vast amount of new housing which has done so much to meet the concerns of the past.

Since 1989 we have laid on the statute book the Fair Employment Act, one of the most far-reaching pieces of anti-discrimination legislation in the

The Act is already having a significant impact. The Fair Employment Tribunal has made a number of important judgements awarding large sums in compensation. The Act includes provision for the sanction of disqualification from receiving public contracts or Government grants. This sanction has already been applied. Investigations under the Act are already a significant feature of fair employment practice in Northern Ireland.

The trouble with the MacBride campaign is not that the MacBride principles themselves are objectionable - the bulk of them are not - but rather that the campaign acts as a disincentive to new inward investment. It does so by introducing a

hassle factor which could tilt any finely balanced investment decision against Northern Ireland. It has not created a single job in Northern Ireland.

As John Hume says, "if you really want to help us, then encourage investment in areas of high unemployment in Northern Ireland ... The effect of the MacBride principles campaign ... is to stop investment coming in and that is a bad thing for us."

That is John Hume, not me. I endorse it. That is why Sinn Fein is the only political party in Northern Ireland to support the campaign. All the rest oppose it.

Our other initiatives include action to regenerate Belfast and Londonderry (whose results are noticed by all those revisiting Northern Ireland); cultural and community relations initiatives to bridge and heal the community divisions; education for mutual understanding; and integrated education where that is what parents want. We also target our programmes and resources where social need is greatest - whether in Catholic or Protestant areas.

All this is underpinned by the net transfer of the equivalent of some five billion dollars a year from the British Exchequer to Northern Ireland.

I want to record here, and with gratitude, that many of the regenerative initiatives I have mentioned are powerfully reinforced by the work of the International Fund for Ireland.

So far the Fund has approved assistance of \$300m to 3,000 projects, contributing to the generation of 18,000 full time jobs, plus a considerable number of part time and construction jobs. Northern Ireland has 2,000 of these projects.

The Fund gives high priority to the areas of greatest need. Over 70% of the money committed in Northern Ireland has gone to the most disadvantaged areas, whether in Belfast, Londonderry, or a number of smaller towns and villages. In total some 30 major community led projects have benefited towards which the Government has contributed some \$30m.

I want to thank Canada, New Zealand, the EC, and most especially the USA, for making the contributions to the fund which have made its work possible. We are particularly grateful to President Clinton for his commitment to include a \$20m contribution to the fund in his budget proposals for 1994. I am confident that, under its new Chairman, Willie T McCarter, Managing Director of Fruit of the Loom in Derry, the Fund will continue to make its vital contribution to this regenerative work in both Northern Ireland and the Republic. I hope some of you will come to see it for yourselves.

Conclusion

Northern Ireland of course needs more new investment. There are sound business reasons for providing it. I hope as many of you as possible will come to Northern Ireland to check these out for yourselves. You will get a great welcome - and quite a surprise. I have tried to put this prospect, however, within the wider context of our composite policies for Northern Ireland. These are, in truth, a seamless robe. We are going to make them succeed, however long it takes: make no mistake of that. In what we are thus determined to do we shall be helped, most certainly, by your further investment: but above all it is your understanding hearts and minds that we both need and claim.

IDB LUNCH: BACKGROUND POINTS ON ECONOMY AND INWARD INVESTMENT

US is the single most important source of internationally mobile investment for NI.

38 US firms employ 8,500 people.

Some tremendous US successes in the last five years.

Fruit of the Loom, \$95m investment, 500 jobs, in a cotton spinning operation announced in 1990 in Londonderry. A further \$61m announced last year creating a further 409 jobs.

United Technologies announced in September 1992 a \$13m expansion at their Londonderry subsidiary. This will create 159 new jobs bringing employment close to 900.

American Home Products of New York announced a \$20m investment programme for their Ballymoney subsidiary, Sherwood Medical Industries. This will create 40 new jobs.

Seagate Technology facility in Londonderry (\$65m, 100,000 sq ft, employing 500 people) in a wafer fabrication operation. NI chosen from 15 locations due to quality of workforce and cost structure. Ground breaking 29 May this year.

In the last five years US manufacturers have invested over \$850m.

Major investment in Belfast in number of new systems shopping centre at Queen's Court \$100M, funded by UK pension funds and Bank of Tokyo. Property investment in the last seven years in downtown Belfast alone just under \$1 billion.

Overall economic picture in NI is very positive but more needs to be done. High unemployment particularly young men. Social and political consequences of this are obvious.

We need more new investment. Not for altruistic reasons but for sound business reasons.

We have a lot to offer:

- tariff free access to Europe
- an English speaking high quality labour force
- low corporation tax
- high quality industrial infrastructure
- the most attractive package of financial incentives in Europe
- first-class research facilities
- and a proven track record.

HM Government doing everything in its power to bring jobs. NI is number one priority. But we need your help. Come and see for yourself.