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The Disinvestment Campaign and the MacBride Principles

Lines To Take

1 The Disinvestment Campaign

- (i) The SDLP and the Irish Government do not consider the present campaign to be helpful in reducing Catholic unemployment. They are opposed to any measure which might damage the NI economy or hinder investment.
- (ii) More investment is the best way to advance the employment prospects of unemployed Catholics (and Protestants). Disinvestment would lead to increased unemployment and disadvantage.

2 The MacBride Principles

(i) The MacBride Principles are unnecessary because :

- Discrimination in employment on the grounds of religious belief or political opinion is illegal in Northern Ireland.
- The UK Government is fully committed to the eradication of discrimination in employment in Northern Ireland and has consistently taken steps to give effect to this policy (eg: The Fair Employment legislation; the award of Government contracts to NI firms only if they are on the FEA Register of Equal Opportunity Employers; the Secretary of State's request to officials to examine how HMG's policy can be made more comprehensive).

(ii) Companies should be guided by and support the efforts of the Fair Employment Agency and not be confused by an alternative set of principles.

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- (iii) The MacBride Principles seem to admit reverse discrimination or other preferential treatment. Any form of discrimination, on religious or political grounds, including reverse discrimination, was made illegal by the UK Government. Reverse discrimination would not help the process of reconciliation in Northern Ireland.

### 3 The Goldin Report

- (i) The United Kingdom Government rejects the Goldin Report. It purports to be a serious analysis of employment patterns and practices in Northern Ireland but in reality is highly selective and unbalanced.
- (ii) The UK Government is fully committed to eradication of discrimination in employment and promotion of equality of opportunity in Northern Ireland.
- (iii) Northern Ireland already has extensive legislative provision dealing with discrimination in employment.

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Background Notes

The Disinvestment Campaign and the MacBride Principles

- 1 There is a campaign, largely instigated by the Irish National Caucus, to require US companies to follow the MacBride Principles which are ostensibly designed to improve the lot of minority groups in the employment field in Northern Ireland. US firms with investments in Northern Ireland are being pressured by religious groups and others, often under threat of shareholder resolutions or the withdrawal of investment, to adopt the MacBride Principles so far as their Northern Ireland operations are concerned.
  
- 2 The campaign is now being pursued through Bills in State legislatures requiring companies adherence to the principles. The present position on this is:-
  - (i) Massachusetts - the Bill became State law on 19 October 1985. It does not require disinvestment, but could of course reduce prospects of new investment.
  - (ii) New York - it has passed through the State House of Representatives. It threatens disinvestment - but it is not certain it will pass the State Senate.
  - (iii) Connecticut - the Bill has made no progress.
  - (iv) There is some suggestion of possible activity on this front on the West Coast but nothing firm has emerged so far.
  
- 3 The MacBride Principles

A copy of the MacBride Principles, with associated comment on each Principle, is attached.

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4 The Goldin Report

Comptroller Goldin of New York produced a highly-selective and contentious report on discrimination in employment in Northern Ireland recommending that US companies implement the MacBride Principles and has prompted a resolution, subsequently adopted, that the New York Employers Retirement System should urge US corporations in Northern Ireland to adopt the MacBride Principles. Comptroller Goldin, who visited NI in June, has denied that disinvestment is an immediate objective or that the Principles contemplate reverse discrimination.

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## THE LACBRIDE PRINCIPLES : ANALYSIS AND COMMENT

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

Comment

This Principle, as stated, seems to imply and require the introduction of discriminatory practices, whether by the imposition of quotas of preferential treatment for the under-represented groups. Such discrimination would be unlawful in Northern Ireland and would negate the policy of equality of opportunity embodied in existing legislation.

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

Comment

This Principle would impose unreasonable, and unenforceable responsibilities on management. Security cannot be the sole responsibility of the employer, whether in Northern Ireland or elsewhere, particularly as it applies outside the workplace.

- 3 Principle 3 : The banning of provocative religious or political emblems from the workplace.

Comment

From experience in Northern Ireland, this is something better handled by persuasion and sensible agreement between management and workforce than by formal provisions. Where goodwill is established, ensuring that emblems which would give cause for offence do not appear should not present difficulties. An ill-considered ban would provide a lever for use by those who wish to behave mischievously in this area.

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

Comment

The Fair Employment legislation in Northern Ireland, the Department of Economic Development's Guide to Manpower Policy and Practice, and the special responsibilities placed on Equal Opportunity Employers require job vacancies to be advertised so as to attract applications from all sections of the community in Northern Ireland. Again, the emphasis must be on equality of opportunity, not on special treatment for any group and "special recruitment efforts" which contravene these considerations would be discriminatory and unlawful.

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- 5 Principle 5 : Layoffs, recalls and termination procedures should not, in practice, favour particular religious groupings.

Comment

This Principle seems, prima facie, inconsistent with Principle 1, In any case, FEA legislation already strongly addresses the question of bias in these areas, and this Principle adds nothing to that legislation. A further point is that there are accepted rules and conventions both in the UK and further afield for dealing with redundancy situations, which are entirely non-discriminatory in sectarian/ethnic terms.

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

Comment

Here again, this Principle seems inconsistent with Principle 1. Again, the proposals are fully covered by the FEA legislation which outlaws discrimination on the basis of religious (or ethnic) origin.

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

Comment

The clear intent of this Principle as stated is to discriminate in favour of one section of the community and therefore, by definition, against other sections. Such discrimination would be unlawful. To be consistent with the policy of equality of opportunity, training programmes must provide equality of opportunity in admission procedures.

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LINES TO TAKE

EMPLOYMENT PRACTICES AT SHORTS

- (a) Shorts is an equal opportunity employer - its recruitment/employment practices are regularly monitored by the independent Fair Employment Agency. Shorts co-operate with the Agency.
- (b) Shorts has an 'affirmative Action Programme' agreed with the FEA to encourage more Catholics to apply for jobs.
- (c) Recent reports for a significant decrease in Catholic recruitment were inaccurate, in fact:-
- percentage of job application from Catholics has increased;
  - while slight decline in percentage of Catholic adults appointed, it is encouraging that more young Catholics have been appointed to apprenticeships.
- (d) The management of Shorts is concerned, as is the Government, that Shorts employment practices stand up to close scrutiny. Shorts have appointed independent consultants to review its recruitment procedures and assessment methods.
- (e) Shorts new facility at West Belfast to be opened in December demonstrates not only the Company's commercial success but also its determination to draw on the skills of workers wherever they live in Belfast.
- (f) Sole negotiating rights with the TGWU at West Belfast is sensible and in the interests of all concerned.
- (g) Shorts have received a large number of applications for the jobs at West Belfast and think many of the applications are from Catholics which is encouraging. [No recruitment figures yet available from the Company].

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LINES TO TAKE

LOYALIST DISPLAYS AND DEMONSTRATIONS

- (a) The Shorts management do not condone provocative parades and demonstrations,  
but, it has to be recognised that-
- (b) In Northern Ireland, indeed in Shorts, there are many people with strongly Loyalist sympathies and a tradition of colourful annual parades and spontaneous demonstrations.

SHORTS AND THE US MARKET

- (a) US Market - both civil and military - is very important to Shorts.
- (b) US Air Force order was most important to the Company, (as was the recent order from the British Government).
- (c) Shorts won these order because they offer good quality products and excellent value for money.
- (d) Believe Shorts naturally hope to secure an order for further supply to the US Air Force.

SHORTS IMPORTANCE TO LOCAL ECONOMY/PRIVATISATION

- (a) Shorts is the largest manufacturing employer in Northern Ireland. The Company's contribution to local economy and development of engineering skills are most important for the whole community.
- (b) These factors and others will be taken into account by the Government in any decision as to whether to return the Company to private ownership.



EMPLOYMENT PRACTICES - LEAD GIVEN BY GOVERNMENT : GENERAL POINTS

- (a) Discrimination in employment on grounds of religious belief or political opinion is illegal in Northern Ireland.
- (b) The independent Fair Employment Agency charged with investigating complaints and promotion of equality of opportunity has Catholic and Protestant membership. Government responds to advice from the FEA.
- (c) The Government knows it is not easy to secure early, significant changes in deeply-rooted attitudes but has asked the Standing Advisory Committee on Human Rights to review the existing legislation to see whether it can be made more effective.

SECURITY VETTING FOR EMPLOYMENT PURPOSES (Defensive)

Shorts have some defence contracts, thus care has to be taken. These matters are not in Shorts hands. There are appeal mechanisms - the Fair Employment Agency and the Commissioner for Complaints.

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BACKGROUND NOTES

1 Shorts has a subsidiary company - Short Brothers Inc - located in Washington DC, which handles the marketing and product support activities for the Company's aircraft products in the US. This subsidiary has some 30 employees.

2 US Air Force Order

In March 1984 the US Air Force placed an order with Shorts for 18 aircraft for use in their European Distribution Systems Aircraft (EDSA) Programme. The contract included options for a further 48 planes and Shorts are keen to see these options converted into firm orders. Together with logistics support the options are valued at some \$500m. The relevant US Budget is not expected to be considered by Congress before 1987. Shorts has no indication as yet from the USAF if the options will be exercised but aircraft delivered to date have established a good reputation.

3 The US Market

The US market is a major market for sales of Shorts commuter aircraft, particularly the SD360 (some 60% of deliveries to date) which is the mainstay of the company. In total the US market maintains and secures up to 3,000 jobs in Shorts.

4 In the aerospace sector, Shorts has established a position as a supplier of aircraft components to major US prime contractors. Boeing holds Shorts in particular high regard as a supplier of high quality products.

5 Fair Employment and Shorts Employment Practices

Shorts is increasingly being put in the spotlight as a test of the Government's resolve to enforce fair employment practices in the Province. The imbalance of the Shorts workforce was highlighted in a campaign by the Irish National Caucus at the time of the order from the US Air Force and there have been frequent references to the company in the US in the context of fair employment in Northern Ireland.

6 The Company has repeatedly made clear its commitment to a policy of equal opportunity and is taking practical steps to demonstrate and achieve this objective. Shorts is an equal opportunity employer and its recruitment/employment practices are being regularly monitored by the Fair Employment Agency. In addition the company has agreed an "Affirmative Action Programme" with the FEA to encourage more Catholics to apply for jobs.

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7 Leak of the FEA Report

The draft Report on the latest monitoring exercise by the FEA, indicating a percentage decline in Catholic recruitment was leaked to the Press. Subsequently, it was found that the figures in the draft were inaccurate. The revised figures improve the picture marginally but still leave the Company open to criticism. The main conclusion to be drawn is that whilst between January 1983 and December 1984, the percentage of job applications from Catholics increased substantially, the overall percentage of appointment of Catholics is virtually unchanged:-

Total Recruitment of Catholics-

January '83 - September '83	15%
October '83 - March '84	17%
April '84 - December '84	16%

However, whilst the number of adult Catholics appointed has declined the number of young Catholics appointed to apprenticeships has increased.

8 Action by Shorts

In August Shorts retained independent consultants to examine all their recruitment procedures.

9 West Belfast Facility:

Shorts decision on commercial grounds, to open a facility in West Belfast has encouraged a large number of job applications from Catholics - these are being processed at present.

10 Recent Loyalist Display and Parades

On 12 August, the Minister met with Sir Philip to express the Government's disquiet over the 4 July Orange Parade which had taken place at Shorts. Sir Philip said the parade had been organised surreptitiously and it had been impossible to stop it. He also said that the people involved had been identified and that their personnel records endorsed with a warning that a recurrence will result in dismissal. Sir Philip pointed out the difficulties involved in trying to persuade the workforce against displaying emblems, bunting and pictures of the Royal Family. But, the Company has mounted a campaign aimed at removal of such objects.

11 Security Vetting of Applicants for Employment at Shorts

Shorts have a number of MOD contracts and the MOD naturally insist that certain posts in the firm have to be subject to vetting arrangements. Shorts have no role to play in these arrangements. National security is the only consideration: religious beliefs or political opinion would not affect the decision. If a person appeals against an employment decision made on these grounds his case would be considered personally by the Secretary of State for Defence.

## EMPLOYMENT

### EQUALITY OF OPPORTUNITY IN NORTHERN IRELAND

#### Lines to Take

#### GENERAL

- 1 (i) Government is firmly committed to the eradication of discrimination in employment and promotion of equality of opportunity.
- (ii) Discrimination in employment on grounds of religious belief, political opinion (or sex) is illegal in Northern Ireland.
- (iii) Early progress towards full equality of opportunity depends on:-
  - most importantly : more jobs, more investment;
  - access to training for all unemployed to develop skills;
  - recognition by employers that even though they do not intend to discriminate (and that is the situation in most cases) it is worth reviewing their recruitment methods to ensure that they are casting their net wide enough and getting the best people for the job on merit.
- (iv) Government is doing its best to get more jobs and investment; complete equality of training opportunities already exists; there are signs of greater recognition by employers of the value of recruitment on merit.

#### THE FAIR EMPLOYMENT AGENCY (FEA)

- 2 (i) The FEA is an independent body charged with investigating complaints of discrimination and promoting equality of opportunity.
- (ii) Members of FEA have a wide range of backgrounds and experience and include Protestants and Roman Catholics.
- (iii) There is no cost to individuals making complaints to the FEA.
- (iv) The FEA can resort to the Courts to enforce its findings if organisations fail voluntarily to co-operate with it.

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- (v) Nearly 8,000 employers and vocational organisations have publicly declared their commitment to equality of opportunity by subscribing to FEA's Declaration of Principle and Intent.

THE EMPLOYMENT EQUALITY STEERING GROUP (EESG)

- 3 (i) At the Secretary of State's behest officials are currently working on proposals, for publication next year on how Government's approach to full equality of opportunity in employment can be made more comprehensive, consistent and effective.
- (ii) This initiative is a measure of the Government's commitment to the achievement of equality of opportunity in employment and the eradication of discrimination.

GOVERNMENT EMPLOYMENT PRACTICE

- 4 (i) Government practices what it preaches
- (ii) Government contracts are open to Northern Ireland firms only if they suscribe to FEA Declaration of Principle and Intent.
- (iii) Employment practices and procedures in the public sector are kept under review and Government has responded to advice from FEA.
- (iv) Government incentive packages are targetted on areas of high unemployment whether Catholic or Protestant.
- (v) Government training courses are available regardless of religion or political belief.

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## BACKGROUND NOTES

### THE FAIR EMPLOYMENT AGENCY

- 1 (i) The Fair Employment (NI) Act 1967 established the FEA and empowered it to investigate employment and occupational practices in order to determine whether they afford equality of opportunity, and, if they do not, to have the offending practices discontinued, where possible by agreement, but if necessary through the issue of legally enforceable directions.
- (ii) There is no provision in the Act for the FEA to be subject to direction by the Government or any other body in the discharge of its functions. It is wholly independent.
- (iii) From September 1976 to October 1985 FEA registered 495 individual complaints of unlawful discrimination. Investigations were completed in 283 cases of which 36 findings of unlawful discrimination and 247 findings of no discrimination.
- (iv) Over 7,600 employers and vocational organisations covering public and private sectors have signed the FEA Declaration of Principle and Intent affirming commitment to promote and protect equality of opportunity in employment. Most (but not all) major firms and public bodies are signatories. Employers signing the Declaration receive a Certificate describing them as Equal Opportunity Employers. On 10 December 1983, it was announced in the House that tenders for Government contracts would not normally be accepted from firms in Northern Ireland without the Certificate.
- (v) Other functions of the FEA include :
  - Promotion of equality of opportunity through publicity and education.
  - achievement of a settlement following a finding of unlawful discrimination.
  - undertaking research relevant to FEA's functions.
- (vi) The FEA consists of a Chairman (Mr Bob Cooper) and 11 other members appointed by the Head of the Department of Economic Development. Members are drawn from all sections of the community and include employer and trade union representatives. The objective is to ensure balanced spread of opinion, expertise and experience relevant to responsibilities and functions of FEA.
- (vii) In 1985/86 financial year FEA is working to a budget of £268,000 provided by DED. It is alleged by the SDLP and the Goldin Report that FEA is under-resourced and FEA itself has referred in its recent Annual Report to a need for additional staff and has now asked for more resources (5 more staff - cost approximately £80,000). This is being processed at the moment and is being considered sympathetically. FEA's budget has been increased by 63% in real terms since inception; 2 additional senior staff were appointed in 1983/84.

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THE EMPLOYMENT EQUALITY STEERING GROUP (EESG)

- 2 (i) On 3 July 1985 the Secretary of State, in a statement to Parliament, announced that he had asked officials to prepare urgently proposals for discussion later this year to make Government's approach to full equality of opportunity in employment more comprehensive, consistent and effective.
- (ii) This followed the publication of data by the Government which illustrated a number of marked differences between employment patterns within the Protestant and Roman Catholic communities in Northern Ireland.. In particular:-
- Catholic males and females, have highest unemployment rates of any religious denominations; unemployment amongst Catholic males (35%) is twice that of the highest rate among Protestant denominations (17% Church of Ireland); a much greater proportion of Catholics (44%) are unemployed for more than 2 years compared with non-Catholics (33%).
- (iii) The Group currently making final corrections and adjustments to a lengthy two-volume Report and its Chairman (Mr Fell) is preparing a note for Ministers summarising the key recommendations.
- (iv) The timing of the publication of the Discussion Paper will depend of a number of factors but the Secretary of State has told Parliament that he hopes to publish proposals for discussion early in the new year.

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UK-US SUPPLEMENTARY EXTRADITION TREATY

Line to Take - With the Administration

The Minister may wish to stress the importance of the Treaty, both to the UK Government and also as evidence of the US Administration's commitment to stamping out international terrorism. He may like to say that we are grateful for the Administration's efforts to date, and enquire about the possibility of a drive by the Administration to help the Treaty through the FRC as quickly as possible now that the British and Irish Governments have demonstrated their resolve to seek to find a political solution to the problems of Northern Ireland. He might add that the Anglo-Irish agreement, coupled with the recent events aboard the "Achille Lauro", will have helped to create the right climate for a move to deny those who commit acts of terrorism the spurious defence that their crimes were political in nature.

Line to Take - Other

The Minister should beware of raising too high a profile on the Treaty in any other contacts he might make.

If asked, the Minister may wish to say that although the Supplementary Treaty has still to be approved by the Senate and also by the UK Parliament both Governments are hopeful that this approval will be forthcoming and that the measure will make an important contribution to the efforts being made by Western democracies to counter the threat posed by international terrorism.

UK-US SUPPLEMENTARY EXTRADITION TREATY

Background

The US-UK Supplementary Extradition Treaty, which would do away with the political offence exception in respect of a large number of terrorist type crimes, is currently being considered in the US Senate prior to ratification. There have to date been three Foreign Relations Committee (FRC) hearings. The Treaty is getting a bumpy ride and it seems increasingly probable that, at the very least, it will not be out of the FRC and into the full Senate until the New Year. It may also be significantly watered down, or (conceivably) rejected altogether.

Our approach, and that of the US Administration has been to get the Treaty presented as a part of the Administration's own efforts against world terrorism. We have recognised that high-profile promotional activity would be counter-productive, and we have therefore been concentrating on relatively low-key media briefing, with the aim of providing a helpful background.

We have also been urging the Administration to step up their own activities and give the Treaty a greater push in the Senate. But it has to be said that while the Administration have been very supportive in private, in public they have been dragging their feet and not promoting the Treaty as vigorously as we had hoped. Recent indications have been that they are waiting until after an Anglo-Irish agreement before reviewing their approach. Now therefore may be the time to apply a little discreet pressure on the Administration: the Embassy in Washington are well aware of this.

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FUND RAISING IN USA AND NORAIID

Line to Take

Organisations in the US which raise money ostensibly for welfare purposes, but in fact spend the money on arms are to be condemned. As Douglas Hurd the former Secretary of State for Northern Ireland, said during his visit to your country<sup>X2</sup> in March, these dollars buy the deaths of Irishmen - Catholic and Protestant - and the destruction of Irish hopes.

Margaret Thatcher, the Prime Minister, was right to condemn such organisations when she spoke to US Congressmen and US TV in February this year. These fund raising activities have been condemned also by politicians in the Irish Republic, including the Prime Minister, Garrett FitzGerald.

The British Government is grateful to President Reagan and his Administration for their strong opposition to such financing of terrorism and for their efforts in trying to dissuade Irish Americans from sending money to the IRA.

Background Note

There are about 40 million Americans in the United States who claim Irish ancestry. Within the Irish American community there is a wide spectrum of opinion, from those committed to the aims and methods of the IRA and virulently anti-British, to those horrified by violence. However, even those Americans who oppose violence tend to have a 'romantic' and distorted view of history.

Since 1970, the USA has been the most important source of arms supply for the Provisional IRA. Ballistic evidence has shown that weapons obtained from the USA have been used in some of the worst terrorist incidents in Northern Ireland.

NORRAID is the most extreme of PIRA's support groups. It was founded in 1970 by Michael Flannery, a self confessed member of the old IRA, who has stated that he purposely went to the USA to organise people to assist the IRA in Ireland.

NORRAID raises money for PIRA and in some instances engages in gun running on its behalf. It has been found by the US courts to be an "agent" of PIRA and leading NORRAID figures have been implicated in gun running.

The publicity director of NORRAID - Martin Galvin - entered Northern Ireland illegally in Summer 1984 and during an attempt to arrest him, John Downes was killed by a plastic baton round fired by a policeman. The RUC Reserve Constable, John Hegarty, was charged with manslaughter in April 1985.

This summer a NORRAID delegation from the US arrived in the Republic of Ireland on 3 August, and crossed the border into Northern Ireland on 4 August. Martin Galvin entered Northern Ireland illegally at some stage after that and as a publicity stunt on 9 August made an appearance at the funeral of a PIRA man who had killed himself handling explosives. The police were unable to arrest Mr Galvin because of the large crowd around him.

The Reagan administration, like its predecessors, has been consistently helpful in highlighting the duplicity of NORAID which claims to raise money to help prisoners' families in Northern Ireland. Any such help provided is minimal and unnecessary anyway since there is a wide range of state support schemes in the UK under which prisoners' relatives may receive financial assistance (eg, supplementary benefit, child benefit, free school meals, free welfare foods, assistance with rent or rates payment, free schooling, free medical and dental care, financial assistance if necessary in travelling to prison for visits.)

The Prime Minister visited Washington between 19/21 February this year in order to address Congress on 20 February. In her speech to Congress, media interviews and her statement following talks with President Reagan, she made clear her position on NORAID and the close co-operation that existed between the States and the UK in dissuading Irish Americans from sending money to the IRA.

The former Secretary of State for Northern Ireland visited the United States between 24 March and 1 April this year. He met many people with an interest in Northern Ireland - Senators, Congressmen, members of the Administration, potential investors, academics, and journalists. He briefed US opinion about Government policies in Northern Ireland and told the US public of the dangers of supporting terrorism.