

E.R.

PC 246/6
TP 135/6

CONFIDENTIAL

Mr. P. J. ...
Mr. Bush
5/19/6

FIO

MEETING BETWEEN THE SECRETARY OF STATE AND MR HARRISON GOLDIN HELD ON 17 JUNE

PIA
(Disincentive)

Mr. Angus
To see if file

Present: Secretary of State
Mr Gilliland
Mr Daniell

Mr Goldin
Mr Doherty

FIO
7/20/85

1. Mr Goldin said that he had come to Northern Ireland at the behest of the trustees of a 23 billion dollar pension fund which had a significant interest in half of the US companies in Northern Ireland. The trustees would have to report back on the status of employment opportunities in Northern Ireland as between Protestants and Catholics. As such a large investor he had expected to be welcomed with open arms by US companies in Northern Ireland and had been outraged by the attitude of Hughes Tool and Gallahers. It was nonsense for Hughes Tool to suggest that the right people in the company were not in Northern Ireland to see him and Gallahers had no business to tell him who he should or should not bring to the factory. He would make it clear to the press that people who adopted that sort of tactic had something to hide. In Northern Ireland his reaction to all this had been temperate, but he would make his true feelings known when back in New York.

2. Mr Goldin said that for most US investors free employment access was a moral imperative. The McBride principles were an unequivocal statement of equality in employment. As Mr Goldin had made clear to Bob Cooper during his lunch with the Fair Employment Agency, it was possible to distort any formulation; but he was in no doubt that the principles conformed with British law and did not require the use of quotas. Any other interpretation was formulated by those concerned only to discredit McBride.

3. The Secretary of State made it clear that he did not believe that the two companies, which had refused to see Mr Goldin, had anything to hide. Mr Goldin should understand that, particularly in the aftermath of the recent elections, people were extremely sensitive about whom they made contact with; and Gallahers in addition had strict rules about not admitting politicians to their premises which would have explained their attitude towards Ms Mullen. On the McBride principles, the Secretary of State had three points:

- (i) with unemployment running at over 20%, and much higher in some places, the basic need was for more jobs. It was essential that, given the hard competition in attracting investment, Mr Goldin should understand the need not to put additional hurdles in the way of US investors which

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might be contemplating coming to Northern Ireland;

(ii) there was ambiguity over whether the McBride formulation required the application of quotas and positive discrimination;

(iii) since direct rule was introduced, HMG had tried through legislation and example not just to outlaw discrimination, but to make the law effective. While the problem had not been wholly solved, substantial progress had been made.

4. Commenting on the first of the three points, Mr Goldin said that any barriers to investment arose not out of what he was saying, but rather out of the facts in Northern Ireland and the application of ethical principles. There was irrefutable evidence of a big disparity in employment as between Catholic and Protestant which amounted in itself to de facto discrimination. All he wanted was evidence of efforts being made by companies in good faith to deal with the problem. The issue of positive discrimination was a red herring and consideration was being given to an amplification of the McBride principles which would clarify the situation. On point (iii), Mr Goldin felt that HMG's efforts and determination to deal with the problem could be judged objectively by reference to the budget and manpower which was allocated to the FEA; he had come to the conclusion that the FEA was no more than a paper tiger with inadequate backing from Government.

5. Mr Goldin said that it was not his policy to seek dis-investment. But he would look at how existing investments were deployed in Northern Ireland and examine proposals for additional investment critically. There should be a full commitment of resources to the FEA and a statement that the Agency was important to HMG.

6. The Secretary of State noted that Strabane had a high level of unemployment which presumably Mr Goldin would regard as a prima facie case of discrimination. In fact such an interpretation would be far from the truth. It was because IRA instigated terrorism was rife that employers were reluctant to invest in the area; this was the problem with which HMG, the IDB and the SDLP were seeking to wrestle: their cause would not be helped if unfounded allegations were made about discrimination in employment. In response to Mr Goldin's assertion that it was disparity in employment (not unemployment) that concerned him, the Secretary of State referred to the difficulties over the mobility of labour. Catholics remained reluctant to leave their areas to find work, because of fears for their security or of possible humiliation at the hands of workmates, and vice versa. This problem was breaking down but there was still a long way to go; its resolution would go a long way towards rectifying existing disparities.

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7. Mr Goldin said that there was experience of these problems in the US. It was not sufficient for Government to quote lack of mobility as a problem; it was the responsibility of public policy makers to ensure that job opportunities were drawn to the attention of those who were discriminated against. The FEA was the agency to do this and as far as HMG was concerned it was not a matter of legal principle but of implementation and determination. The Government had not devoted sufficient resources to the problem. Summing up, Mr Goldin said that he had come as a friendly investor who wanted to see US investment in Northern Ireland increase, to communicate what should be done to bring about such an increase and to express his views on existing investment. It was in HMG's interests to ensure that there was adherence to the McBride principles.

8. The Secretary of State said that it was for HMG to deal with the situation in Northern Ireland. There was a limit to the usefulness of the American model in dealing with a difficult situation. The FEA was doing a good job but its remit, budget and staffing were not immutable. It was criticised by some for making difficulties and by others for being a paper tiger; the Secretary of State had to listen to both points of view. It could not on its own solve problems that were fundamental to Northern Ireland; it was part of the Government's overall policy aimed at bringing about reconciliation and defeating those who sought to destroy the Province.

9. Finally, Mr Goldin raised the case of Martin Galvin, a New York City employee who wishes to return to Northern Ireland. He urged HMG to allow Galvin back into the Province. It would be appropriate for friendly relations if he were allowed back under hospitable conditions. The Secretary of State replied that he had heard what Mr Goldin had said and could not believe that Mr Goldin had listened to Galvin's remarks on terrorism.

10. The Secretary of State has asked that action be taken to inform the Hughes Tool and Gallaher management of Mr Goldin's intention to make trouble for them on his return to the United States. (Mr Fell to follow up please.)

Rec

for

J A DANIELL
Private Secretary

18 June 1985

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