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DRAFT

Sir Antony Acland
HM Ambassador
British Embassy
WASHINGTON DC 20008
United States of America

November 1987

MacBRIDE: OUR NEXT STEPS IN THE UNITED STATES

Thank you for your letter of 6 October which raised a number of important matters relating to the presentation of Northern Ireland interests in the United States, not least how we should deal with the MacBride Campaign.

It was particularly useful to have the various elements of our MacBride response pulled together in such a coherent and comprehensive way and to have the resource dimension pointed up. We, in turn, have taken a fundamental look at the issue a critical eye both in terms of our objectives and the options open to us. This has necessarily taken a little time, hence the delay in replying to you.

MacBride

Clearly we cannot afford to continue to commit time and resources to MacBride without good reason. As you know, our approach so far has been predicated on 3 main objectives. First, and still an important objective, is to support the US companies affected by the Campaign and so protect existing and future investment and jobs in Northern Ireland. The second is to prevent the political agenda for Northern Ireland being dictated from the US and to maintain a defence against the anti-British manoeuvring of key players in the MacBride Campaign such as the INC and NORAIID. The third objective, which has come into increasing focus as our resistance to the Campaign has developed, is to maintain the credibility of HMG's commitment to fair employment in Northern Ireland.

Objectives

1) support US companies

2) prevent US political interference - defence against INC & NORAIID

3) maintain credibility on FR

I believe that these objectives are still valid and provide a sound rationale for continuing to oppose the MacBride Campaign. However, as you have recognised, we would be deluding ourselves if we thought that we could bring the MacBride Campaign to a halt: it will continue to run and will clearly have some

CONFIDENTIAL

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impact and success whatever we do. Nevertheless, I am convinced that we can still limit its impact in a number of ways without being profligate with resources.

An important feature of our ability to counteract the MacBride case is our ability to demonstrate that company employment position in NI are above reproach. I firmly believe that the US companies should be doing more to protect themselves, particularly by ensuring that their employment policy and practices in Northern Ireland are beyond reproach. It seems to me that they could also do more to influence State legislation by deploying their own lobbyists in State legislatures and by giving evidence, as Ford did to such good effect in Illinois. The Department of Economic Development has already done some preliminary work with managers in Northern Ireland as a preliminary to meeting US parent companies on these issues and will be pressing ahead on this front over the next few months.

The nuisance value of the MacBride Campaign is of course a major consideration and we also want to ensure that if MacBride legislation is passed companies suffer the minimum inconvenience as a result. Essentially the problem is likely to be the volume of reporting requests arising from State legislation and any follow-up queries from interest groups. We have in mind, therefore, to seek to persuade State Comptrollers to accept and use the Fair Employment Agency as the central source of information in respect of companies (if necessary with an independent validation by an acceptable internationally recognised firm of management consultants along the lines of Arthur D Lyttle). Obviously, this will also require the co-operation of the US companies in providing monitoring information to the FEA for this purpose. Again I see this task falling to the Department of Economic Development, though clearly there will need to be continuing close liaison with US posts.

As regards our approach to State legislation, and the employment of lobbyists as advocated in your letter, I agree that we need to be realistic about what we can hope to achieve. Like you, I think it unlikely that we can stop the Campaign and I do not wish to dissipate resources to little effect. There are clearly some States in which it is politically and economically important to fight the MacBride legislation since the result is likely to influence opinion elsewhere. Illinois and California come into this category: there may be others. In these

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circumstances the employment of a professional lobbyist is likely to be money well spent. Although we do not want to see the saturation of US States with MacBride legislation, realistically there are also States where MacBride legislation is likely to be of less consequence, and there may also be occasions where we judge that whatever we do we are unlikely to materially affect the final decision. In these circumstances I believe that we should continue to register objection to the legislation but in a less costly manner, perhaps by having a statement of HMG's views read into the record and some input from Northern Ireland witnesses. [I would not expect US posts, however, to spend an undue amount of time on these States.]

Against this background I am prepared to approve, and provide resources for, the employment of professional lobbyists in say, 3 States (excluding California where Mr Burns is already providing advice without charge). The question of additional resources for our own people (including Mr Henderson) based in New York is, I think, a matter for the Foreign and Commonwealth Office.

As regards the amendment of State legislation, it is hardly realistic in circumstances where we conclude that MacBride is likely to succeed to believe that the MacBride camp will accept amendments which delete or amend the Principles and so remove the whole platform. But an amendment which left the Principles in situ while attaching the condition that US companies would have to account for themselves only to the Fair Employment Agency (which would then become a reference point for the various State organisations) might have a better prospect of success and would be consistent with what we propose to do with State Comptrollers. Circumstances which permit amendment of the legislation are likely to be few and far between but if it is possible I would favour this approach. [If there is also a prospect of replacing the MacBride Principles with the Ford formulation we should do this.]

You also asked for a new and more positive line on MacBride. The attached statement, which is fairly full, can be tailored to particular audiences. DED officials will be in touch with your people regarding a shorter version for publication.

As you will see the statement is fairly guarded about the time of new fair employment legislation. I agree that this is an important consideration in the presentation of our case in the United States but the reality is that, even with

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the best will in the world, the new legislation is still some way off. You can be assured, however, that I will make the strongest possible statement, both of intent to legislate of the likely content of legislation, as soon as practicable. I would hope to be able to do this early in the New Year.

So far as the Irish Government is concerned I agree that a supportive statement by the Irish would be helpful in the United States, particularly if it came from the Taoiseach or was in the form of a joint statement from the 2 Prime Ministers. The Irish continue to play coy on this issue; however we will continue to press them but I am not optimistic of success.

[Ken Bloomfield will be in a position to flesh out our thinking on MacBride when he is in Washington]. DED officials will follow through the detail of the various decisions and any other logistical matters, such as the need for secure communications facilities, directly with the Embassy, liaising with the FCO in London as necessary.

I have replied to you separately on the non-MacBride issues in your letter of 6 October.

I am copying this letter to Sir Geoffrey Howe.

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(a) Estimated Programme Costs

	CURRENT PROVISION 87/88 £	REVISED ESTIMATE 87/88 £	CURRENT ESTIMATE 88/89 £	REVISED ESTIMATE 88/89 £
NI LOBBYISTS	100,000	80,000	150,000	336,000
INWARD VISITS) HOSPITALITY)	5,000	2,000	37,000	37,000
ICCR CONF	25,000	Now dropped	33,800	Now dropped
PROF LOBBYISTS	30,000	36,000	100,000	(1) 153,000
TOTAL	160,000	(2) 118,000	320,800	(3) 526,000

(1) Assuming 3 lobbyists at approx \$80,000 per annum @ \$1.635= £1

(2) Estimated underspend £42,000

(3) Provisional PES allocation of £329,200 for MacBride work (as previously discussed with C Gowdy) Additional amount required £166,800

(b) DRC Element (Travel and Subsistence only)

CIVIL SERVANTS VISITS TO US	(1) 30,000	38,400	(2) 80,000
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(1) 3 visits to United States US and AS (at £10,000 for 1 week)

(2) £10,000 per 1 week visit by US and AS to United States.
(incl. internal travel) X 8 ie 2 State
Comptroller visits + 6 Company visits = £80,000
NB If only AS this figure would reduce to £28,000.

(c) Consulting Audit for FEA - £40,000 (will fall to FEA subhead)

FAIR EMPLOYMENT: THE BRITISH GOVERNMENT'S VIEW

1. Equality of opportunity in employment is a vital concern in Northern Ireland. It is at the core of the process of reconciliation between 2 divided communities, it represents the best use of individual talent and is essential for economic prosperity. More importantly, however, it is central to personal dignity and fundamental to a democratic society. This is why the British Government attaches the highest political priority to its effective practice: it is a basic right of every citizen to be judged on merit and not on the basis of religious belief or political opinion.
2. As Prime Minister of the United Kingdom of Great Britain and Northern Ireland, Mrs Margaret Thatcher has expressed her firm commitment to equality of employment opportunity between Catholics and Protestants in Northern Ireland and has given an assurance that the British Government will take whatever steps are required to secure this objective. Discrimination and unfair employment practices in Northern Ireland are simply not acceptable to the British Government.
3. Discrimination in employment on grounds of religion or politics is already illegal in Northern Ireland. There is an independent agency (the Fair Employment Agency) responsible for investigating individual complaints and carrying out investigations into employment practices. The Agency can enforce its decision through the Courts; and it can require employers to take affirmative action to remedy the effect of past practices.
4. Substantial progress has been made in the public sector which accounts for 42% of the work force in Northern Ireland. But the British Government wants to see further progress, both in the public and in the private sector. That is why, building on existing legislation and arrangements to combat discrimination, the British Government continues to take important initiatives in this field and is committed to new legislation which will:

- (i) improve the arrangements for the promotion, investigation and adjudication of fair employment practices;
- (ii) strengthen the statutory duty on employers to practice equality of opportunity in employment;
- (iii) stipulate what employers must do to ensure equality of opportunity;
- (iv) provide for tough sanctions in respect of discrimination and failure to practice equality of opportunity.

The British Government has, through a Consultative document, sought the views of those most directly affected by these proposals: the people of Northern Ireland. Within the framework of the Anglo-Irish Agreement, the Government of the Republic of Ireland has welcomed the British Government's proposals

5. In addition, the Government has:

- (i) published (in September 1987) a new Guide to Effective Practice which gives very specific advice to employers on how to ensure fairness in employment practices. The Fair Employment Agency is required by law to take the Guide's recommendations into account in determining whether or not equality of opportunity is being provided.
- (ii) increased Agency resources by 33% in 1986/87 and a further 34% in 1987/88.
- (iii) sponsored a series of seminars on good employment practice for all employers; and
- (iv) agreed to provide financial assistance for employers in the private sector to advance the development of good personnel practice and organisation.

The MacBride Principles

6. The British Government therefore shares the underlying fair employment aim of the MacBride Principles. But the British Government believes that the campaign to require US companies to adopt the MacBride Principles is based on a grave misunderstanding of its effects in Northern Ireland. In reality it damages, rather than assists, employment prospects. Threats of disinvestment, stockholder resolutions, product boycotts, troublesome legislation with the attendant political hassle have served to undermine Northern Ireland's position a location for American investment. The fact is that, with unemployment in Northern Ireland currently around 18-19%, new jobs are desperately required as a complement to the Government's tough but fair, approach to equality of opportunity in employment. Withdrawal of American investment will reduce job opportunities; but Northern Ireland needs jobs more than multinational corporations need Northern Ireland. The MacBride Campaign erects barriers to new investment and therefore new jobs: it damages the Northern Ireland economy and harms the prospect of greater progress in achieving fair employment in practice.

7. This is not only the British Government's view. Mr John Hume MP (Leader of the Social Democratic and Labour Party in Northern Ireland, which speaks for the majority of the Catholic community) said on 24 September 1987:

"My advice to our friends in the United States was and is, if you really want to help us, then encourage investment in areas of high unemployment in Northern Ireland. That is a positive thing to do. The effect of the MacBride Principles Campaign, whether people like to admit it or not, is to stop investment coming in and that is bad for us."

8. In fact the MacBride Principles have been overtaken by Government's own proposals which are a great deal more radical and comprehensive than the MacBride Principles and which will provide a better basis for securing fair employment without destroying jobs. Specific advice to employers as provided in the Government's Guide to Effective Practice and to be reinforced in new legislation is better than vague

generalities which disregard reality or which confuse employers. (Principle 2 of the MacBride Principles - security for minority employees travelling to or from, and at work - is not within the powers of any employer and the Fair Employment Agency has indicated that Principles 1, 7 and 8, which smack of preferential individual treatment depending on religious belief, are at best divisive and at worst illegal: employment on merit without regard to religion is the law in Northern Ireland).

9. Northern Ireland is not South Africa. In Northern Ireland discrimination is illegal: in South Africa, discrimination is official Government policy. Any analogy between the MacBride and Sullivan Principles is both false and offensive.
10. The only political party in Northern Ireland to support the campaign for the MacBride Principles is Sinn Fein, the political wing of the terrorist IRA whose registered agents in the United States - NORAID - are leading protagonists in the MacBride Campaign in North America. The IRA have clearly demonstrated that they have no interest in improving economic conditions in Northern Ireland. They, and their agents, demean the sincerely held views of those supporters of the MacBride Principles who genuinely seek fair employment.
11. Ending employment discrimination in Northern Ireland is part of a continuous process. Of the original objectives of the Civil Rights Campaign in Northern Ireland in the late 1960s, discrimination in the allocation of houses, and in voting rights, has been effectively tackled. Progress has also been made in tackling discrimination in employment, particularly in the public sector. More progress is needed and the British Government has given firm commitments to remedy this. The British Government welcomes constructive assistance. More US investment would certainly assist the process of providing more jobs, which will be available to all in Northern Ireland.
12. The vast majority of people in Northern Ireland (Catholics and Protestants alike) want to live and work in peace together. It is they who are penalised by legislation or other pressure on companies in support of the MacBride Principles. It is their interests which should be paramount.