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From: M L Hutchinson (Mrs)
Central Secretariat
16. January 1990

cc: PS/Dr Mawhinney (B)&(L)* - M
PS/Mr Needham (B)&(L)* - M
PS/PUS (B)&(L)* - M
PS/Sir Kenneth Bloomfield*
Mr Burns (B)&(L)* - M
Mr Ledlie*
NI Perm Secs*
(Mr Fell - full briefing)
Mr Gowdy*
Mr Spence*
Mr Thomas - M*
Mr Miles*
Mr A Wilson*
Mr Wood*
Mr Hamilton*
Mr R Wilson*
Mr Devitt*
Mr McConnell*
Mr Bell*
Mr Walker*
Dr Donnelly* - M
Mr Hughes* - Mr Bone - M*
Mr Cullen*
Mrs Hawthorne*
Supt Curral*
Sgt Gray*

PS/Secretary of State (B)&(L)* - M

**VISIT TO NI BY FRIENDS OF IRELAND, LED BY CONGRESSMAN DONNELLY: 17 - 19
JANUARY 1990**

We have just learnt that the party will consist of Congressman Donnelly, Congressman Dwyer and Staffers, Brandt, Peterson and Barker. Attached is a list of those who will be attending the meeting with the Secretary of State in Hillsborough Castle, Wednesday, 17 January 1990 (1900 - 2000).

Also included in the attached folder is relevant briefing as follows:-

Annex 1 Copy of the final visit programme (NI element only)

Annex 2 Copies of CVs for Congressman Donnelly, Congressman Dwyer and Werner Brandt

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- Annex 3 A list of important points to get across to Congressman Donnelly and his party
- Annex 4 Bull point security brief including Brogan case, Administration of Justice / Diplock Courts, Restrictions on Access to the Media and Stevens Inquiry into Allegations of Leaks
- Annex 5 Bull point brief on Anglo-Irish Agreement and Political Developments in Northern Ireland
- Annex 6 Conway Street Mill - Line to take
- Annex 7 Bull point brief on the Fair Employment Act including note on the Fair Employment Commission
- Annex 8 Bull point brief - MacBride Campaign
- Annex 9 Congressman Donnelly's Legislative Tax proposals
- Annex 10 Bull point brief on the International Fund including background notes on West Belfast Enterprise Board and Flax Trust (2 projects included in the visit programme)
- Annex 11 Background note on the Novatech proposals at Flax Trust
- Annex 12 Bull point brief - Making Belfast Work
- Annex 13 Bull point brief - Londonderry initiatives
- Annex 14 Bull point brief - Community Relations

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Annex 15 Bull point Education brief including Community Relations in the education sector, education reforms and integrated education

Annex 16 US investment in NI - Aide Memoire

* Annexes 1 and 2 only


M L HUTCHINSON (Mrs)

CONGRESSMAN BRIAN J DONNELLY

ELEVENTH DISTRICT

The 11th Congressional District of Massachusetts includes the Southern third of Boston, most of the city's South Shore suburbs, and more suburban territory stretching to the shoe manufacturing city of Brockton and the towns just beyond. This is the lineal descendant of the district whose Yankee voters elected John Quincy Adams to the House for the last years of his life (1831-48), despite his refusal to campaign; but it is not a district Yankee in tone today. With few exceptions, the 11th District's suburban cities and towns - Quincy, Braintree, and the newer Holbrook, Stoughton and Randolph, away from the Shore - are filled with the gransons and granddaughters of Irish, Italian and Jewish imigrants; the Hyde Park and Dorchester wards of Boston are a mixture of old Irish and younger blacks. These are not grand places; except for Milton, housing values here are below the metropolitan average. Politically, this is Democratic country - much as that might surprise the staunchly anti-Jacksonian John Quincy Adams.

The congressman from the 11th is Brian Donnelly, a man with political roots in Boston. He won the seat in 1978, when James Burke retired; Burke and other local politices backed him, in pique over a challenger who opposed and nearly beat Burke in 1976 when he was sick. Donnelly has^a moderate attitude on cultural issues; on economic and foreign issues, he is solidly liberal. He served during the first Reagan term on the Budget Committee and in 1985 he won a seat on the Ways and Means Committee, which Burke had served on; he had Tip O'Neill's active support in both cases and has generally supported Democratic leadership positions. He has been reelected easily since he first won, and he can hold this seat for years, as Burke did, unless he should run for and win another office; with his Ways and Means seat in hand, that is unlikely.

The People: Pop. 1980: 525,089, dn. 2.8% 1970-80. Households (1980): 73% family, 38% with children, 56% married couples; 42.2% housing units rented; median monthly rent: \$211; median house value: \$42,600. Voting age pop. (1980): 382,888; 7% Black, 1% Spanish origin, 1% Asian origin.

1984 Presidential Vote:	Reagan (R).....	114,122	(52%)
	Mondale (D).....	104,938	(48%)

Rep. Brian J Donnelly (D)



Elected 1978: b. Mar. 2, 1946, Dorchester, home, Dorchester, Boston U., B.S. 1970; Roman Catholic; married (Virginia).

Career: Dir. of Youth Activities, Dorchester YMCA, 1968-70; High sch. and track sch. teacher and coach, 1969-72; MA House of Reps., 1973-78.

Offices: 438 CHOB, 202-225-3215. Also 47 Washington St., Quincy 02169, 617-472-1800; JFK Fed. Bldg., Rm.2307, Boston 02203, 617-565-2910; and 61 Main St., Brockton 02401, 617-583-6300.

Committees: Ways and Means (19th of 23 D).
Subcommittees: Health; Public Assistance.

Group Ratings

	ADA	ACLU	COPE	CFA	LCV	ACU	NTU	NSI	COC	CEI
1986	75	60	88	75	71	14	24	0	29	17
1985	80	-	87	92	-	5	31	-	23	-

National Journal Ratings

	1986 LIB - 1986 CONS	1985 LIB - 1985 CONS
Economic	71% - 29%	81% - 26%
Social	69% - 28%	49% - 49%
Foreign	63% - 36%	71% - 26%

Key Votes

1) Lmt CIn Water Act	AGN	5) Retain Gun Cont	FOR	9) Aid Angola Reb	AGN
2) Rpl Tobac Sub	FOR	6) Contra Aid	AGN	10) Tax Reform	FOR
3) Grm-Rdmn Def Red	AGN	7) Lmt Text Imp	FOR	11) S Africa Sanc	FOR
4) Ban Polygraph	FOR	8) Limit SDI	FOR	12) Immig Reform	FOR

Election Results

1986 general	Brian J Donnelly (D).....	114,926	(100%)	(\$46,171)
1986 primary	Brian J Donnelly (D).....	46,571	(88%)	
	David J Peterson (D).....	6,272	(12%)	
1984 general	Brian J Donnelly (D) unopposed			(\$49,077)

Campaign Contributions and Expenditures

1985-86		Direct Cont. 1985-86		PACS Breakdown 1985-86		
Receipts	\$253,794	Indiv.	\$77,322	Corp.	\$41,550	T/M/H \$53,550
Expend	\$46,171	PACS	\$143,850	Labor.	\$29,350	Agr \$0
Unspent	\$365,379			Ideo.	\$12,250	CWOS \$7,150

SIXTH DISTRICT

Through the sluggish oily waters of Raritan Bay and Kill Van Kull, on either side of Staten Island, inch giant tankers filled with crude oil and feedstock for the refineries and chemical plants of New Jersey; just inland, locomotives on the Conrail main line and trucks roaring along the 12-lane-wide New Jersey Turnpike are ready to ship refined oil and chemicals to the rest of the country. This stretch of New Jersey, from Newark south to Perth Amboy, is one of the most heavily industrialized areas in America, the product of the second oil-and-chemicals, industrial revolution earlier in this century. Much of it, from Linden in Union County to south of Perth Amboy in Middlesex, and going inland to New Brunswick, forms the 6th Congressional District of New Jersey.

Here Thomas Edison came and set up his laboratory in Menlo Park, when it was still surrounded by fields but accessible to New York; and in the neighborhoods here thousands of ethnic Americans moved when they got decent jobs and could afford something better than the old row houses of Jersey City or New York. This 6th District has the largest concentration of Hungarian-Americans in the nation, in and around New Brunswick; it also has sizeable neighborhoods of Polish-Americans in Woodbridge and Italian-Americans in Perth Amboy. The children of the original immigrants have moved out into such places as Edison Township, Piscataway Township, and Sayreville, where they live in pleasant subdivisions. Middlesex County had its fastest growth in the 1950s, when New Jersey had a rising number of manufacturing jobs and the second generation of immigrants were having large numbers of babies themselves.

These suburban voters are in the process of sloughing off their Democratic heritage. John Kennedy got 58% in Middlesex County, well above his national average; Jimmy Carter did no better than average here when he ran in 1976 and 1980; Walter Mondale lost Middlesex by almost as wide a margin as he lost the next-door Monmouth. As life here has become less distinctive and less visibly different from the experiences of other Americans, its political behavior has been, in the language of political scientists, regressing toward the mean. Middlesex County had a well-known Democratic machine, run for years by David Willentz, who first gained fame in the 1930s as the prosecutor of accused Lindbergh kidnapper Bruno Hauptmann and whose Perth Amboy law office in later years somehow seemed to attract some of the nation's largest corporations as clients; his son Robert is New Jersey's Chief Justice, reappointed in 1986 by Republican Governor Kean and confirmed despite some opposition from Republicans.

The Willentz machine has pretty well determined who holds the Middlesex County congressional district since the first one was created in 1962. It has favored experienced and loyal political veterans; in 1962 it picked 57-year-old Edward Patten, then the appointive Secretary of State; in 1980 it favored 59-year-old state Senator Bernard Dwyer. His voting record is on the liberal side of the spectrum, and not only on economic issues. He is a solid leadership man, and has won important committee assignments as a result. He got a seat on Appropriations his first term and works hard and concentrates on details; he is busy getting reimbursement for the cost of holding Mariel Cubans in state prisons, extending the dredging of Kill Van Kull, getting more money in the continuing resolution for the homeless of Middlesex County, getting more research money for basic research on fuel cells conducted by New Jersey's Engelhard Corporation. He was tapped by Speaker O'Neill for a seat on the Intelligence Committee and on the five-member delegation to observe the elections in the Philippines.

Dwyer depends on the Democratic organization to deliver votes for him, although that is a bit risky these days; in 1980 and 1984 he won only 53% and 56% of the vote. But in his mid-60s, after a political career that began on the Edison Township Council in 1958 and led to the presidency of the New Jersey Senate and membership in the U.S. Congress, Dwyer evidently prefers to continue with what has been for him a winning formula.

NEW JERSEY

The People: Pop. 1980; 526,075, dn. 3.1% 1970-80. Households (1980: 77% family, 39% with children, 63% married couples; 36.9% housing units rented; median monthly rent; \$259; median house value: \$59,600. Voting age pop. (1980): 394,413; 8% Black, 5% Spanish origin, 1% Asian origin.

1984 Presidential Vote: Reagan (R).....135,654 (59%)
Mondale (D).....94,024 (41%)

Rep. Bernard J Dwyer (D)

Elected 1980; b. Jan. 24, 1921, Perth Amboy; home, Edison; Roman Catholic; married (Lilyan).

Rep. Bernard J. Dwyer (D)



Career: Navy, WWII; Insur. exec., 1945-80; Edison Township Cncl., 1958-70; Mayor, 1970-74; NJ Senate, 1974-80.

Offices: 404 CHOB 20515, 202-225-6301. Also 214 Smith St., Perth Amboy 08861, 201-826-4610; 86 Bayard St., New Brunswick 08901, 201-545-5655; and 628 Wood Ave., N. Linden 07036, 201-486-4600.

Committees: Appropriations (28th of 35 D). Subcommittees: Commerce, Justice, State and Judiciary; labor-Health and Human Services-Education. Standards of Official Conduct (3d of 6 D). Permanent Select Committee on Intelligence (9th of 10 D). Subcommittees: Legislative; Oversight and Evaluation.

MR WERNER W BRANDT

BRANDT, Warner W., Asst. to House Majority Leader. Rep. Thomas Foley, 5-WA. Home, 4006 North Taylor Street, Arlington, VA 22207. Born August 29, 1938 in New York City to Werner and Marie Brandt. Married June 29, 1963 to V. Martha Brandt. Children: Nicholas C. and K. Alyssa. Hamilton College, 1956-60, B.A. in history. Career record: 1962-72, foreign service officer, Dept. of State; 1972-81, legis. asst. to Rep. Thomas Foley, WA; 1981-86, asst. to House Majority Whip; 1987 - , current position.

- **Terrorism:** There seems to be a growing sense of the futility of violence, and an increasing number of calls from the Catholic community for PIRA to demonstrate how their activities can possibly be justified. This has been given additional momentum by the electoral setbacks which Sinn Fein suffered in the local Government elections last summer and by the relative lack of success on PIRA's part in delivering the "long hot summer" they promised last Spring for the 20th anniversary of troop deployment.
- **Political Developments:** The degree of optimism about developments on the political front is palpably greater than this time last year. There are a number of encouraging signs that an atmosphere for dialogue may exist if things can be developed slowly to the point where all sides can be reassured that dialogue would pose no threat to their interests. Constructive Irish support here will be extremely important.
- **Fair Employment:** The Fair Employment Commission has now come into existence, and will be vigorously pursuing its responsibilities under the new Act. Government is committed to ensuring that the Act works effectively in ensuring equality of opportunity in employment. To bear down on the problem of unemployment, however, more will be needed: the most important factor here is new investment and new jobs.
- **Boston/Ireland Ventures:** This is why this initiative by Boston is so welcomed: not only has it brought a significant US investment to Derry, but it has helped to present a positive image for NI in the USA. We would like to build on the success of this.
- **International Fund:** There has been a significant change in perception about the value of the Fund in the last 12 months. The outgoing Chairman finished his term of office on a high note and the new Board has started well. The Fund is now showing real results on the ground. We are grateful to Congressman Donnelly for his consistent and effective support of the Fund and its aims.

Advice from the Embassy in Washington is that focussing attention on Congressman Donnelly's proposed Tax Bill would be counter-productive.

Annex 4

SECURITY SITUATION (GENERAL)

Points to Make

Terrorism is equally reprehensible from whichever side of the community it arises. Terrorists are not freedom fighters. They are rejected by the vast majority of people from both communities in the island of Ireland.

Church leaders and politicians from all constitutional parties totally condemn their activities.

There is no quick and easy solution to a terrorist campaign in a democracy such as ours. But we will continue to fight it within the rule of law.

PREVENTION OF TERRORISM ACT/BROGAN CASE

It is absolutely vital that the police have the power to detain people who they have reasonable suspicion are terrorists. They will continue to have the power to detain for up to 7 days.

Only a small minority of those arrested under the Act are held for more than 4 days.

The Government must consider the human rights of the victims as well as those suspected of terrorist involvement.

EW 12287

ADMINISTRATION OF JUSTICE/DIPLOCK COURTS

Points to Make

- Government anxious to sustain public confidence in administration of justice in Northern Ireland. Willing to consider seriously any practical proposals to this end.
- Substantial number of measures already adopted, including:
 - measures to reduce the time it takes to bring persons to trial;
 - onus in bail applications now on the prosecution to show why bail should not be granted;
 - law on admissibility of confession evidence changed to make clear that confessions obtained by use or threat of violence not admissible and that confessions can be excluded in interests of justice;
 - terrorist suspects in police custody now have statutory right to have someone informed of arrest and to see a solicitor within 48 hours;
 - Government will shortly publish guide on operation of emergency powers, setting out rights of those detained under emergency legislation.
- No reason to doubt the standard of justice being dispensed in Diplock Courts. All judgements must be written; there is an automatic right of appeal on conviction or sentence. In 1988, 38% of those pleading not guilty in Diplock Courts were acquitted (in 1987, 42%).
- The legal basis of the Diplock Courts and the operation of the emergency powers are regularly and independently reviewed. A major review of the Emergency Provisions Acts is currently being undertaken by a senior legal figure.

RESTRICTIONS ON ACCESS TO THE MEDIA

Line to take

- These matters have been kept under review by Governments for many years. Following the terrorist incidents of the past year, this was one of a number of matters that was looked at again. We believed that the time had come to deprive these organisations of this easy platform for publicity.
- Decision to impose restrictions taken only after long and careful consideration.
- Government concluded that those who plan and execute acts of terrorism, and those who support them, cannot in all circumstances be accorded exactly the same rights as the rest of the population. Parliament has endorsed this principle on many occasions.
- Several reasons behind the decision
 - appearance caused offence
 - direct access to broadcasting provides spurious authority and respectability
 - used opportunities to threaten and intimidate law abiding citizens
- Directions do not restrict the second-hand reporting of events. Only the broadcasting of direct statements is restricted.
- The terrorists' activities and the words they utter can still be reported, just as they are in the written press.
- The restrictions are broadly the same as provisions in Irish legislation which have been in place there for more than ten years.

Stevens Inquiry: Allegations of Leaks

Points to make

1. There is no place in any of the security forces for those who betray their trust, or for those with divided loyalties.
2. Any allegation of collusion with any terrorist group is treated very seriously, and investigated thoroughly.
3. The Government, Army and RUC support fully the Chief Constable's decision to call in Mr Stevens and a team of outside detectives to conduct a rigorous, comprehensive and impartial inquiry into the allegations of collusion, which followed the murder of Loughlin McGinn, and related matters.
4. That inquiry is a criminal investigation and must be free from political pressures, and conducted in a manner which allows appropriate criminal charges to be brought where necessary.
5. Government and all in authority are determined that everybody should be able to have full and justified confidence in the impartiality and integrity of the security forces.
6. The Government will address rapidly any implications of Mr Stevens' report to the Chief Constable which are for it.
7. Measures have already been taken to ensure that all recognition aids, which are vital tools in the struggle against terrorism, are fully accountable and to improve both the screening of UDR recruits and ongoing personnel management, to ensure that those likely to be susceptible to pressure are dealt with rapidly and appropriately.

ANGLO-IRISH AGREEMENT

The Government remains committed to the Anglo-Irish Agreement and to the principles it embodies. However, as recorded in paragraph 29 of the Review of the Working of the Conference:

"If in future it were to appear that the objectives of the Agreement could be more effectively served by changes in the scope and nature of the working of the Conference, consistent with the basic provision and spirit of the Agreement, the two governments would be ready in principle to consider such changes".

POLITICAL DEVELOPMENT IN NORTHERN IRELAND

It remains the British Government's policy to devolve powers within Northern Ireland on a basis which would secure widespread acceptance throughout the community. Devolution is the basis on which political progress seems most likely to be achieved since all the main constitutional parties have expressed a willingness to work towards it. Political progress requires dialogue with and among the political parties.

There are some encouraging signs that the prospects for political progress are becoming more favourable. The Secretary of State has consistently made clear his willingness to enter into talks with the constitutional parties at any time without preconditions and to consider constructively any proposal they wish to put forward. The Government has made clear its willingness to operate the Agreement sensitively if this would facilitate such talks.

WERH/SIL/14117

CONWAY STREET MILL

Line to take

1. Government policy is to encourage voluntary community based activity which has the genuine aim of improving social, environmental and economic conditions in areas of need. This is what the "Making Belfast Work" Initiative is about.
2. However Government is not prepared to provide or authorise the use of public funds to groups or organisations where to do so would give rise to a grave risk of improving the standing and furthering the aims of a paramilitary organisation, whether directly or indirectly. The nature and extent of paramilitary influence within Conway Mill is such that this policy has been applied to groups operating in or out of the Mill.
3. There is no political vetting. Decisions are taken by the Secretary of State after careful consideration of all the relevant factors, and the position is kept under review. It is not possible to disclose the information on which decisions are taken.
4. Government policy is even-handed and is applied regardless of the source of paramilitary influence. Of cases denied support the community split is almost equally divided.

Background (not to be disclosed)

1. In 1985, following concern about the possible exploitation of public funds by or to the benefit of paramilitary organisations the then Secretary of State Mr Hurd, decided that public money should be withheld from community groups where there is evidence that payment could directly or indirectly further the aims of a paramilitary organisation. This decision was announced in a written Parliamentary answer on 27 June 1985 (copy attached)

C O N F I D E N T I A L

which remains the basis of Government policy.

2. The first groups denied support under the June 1985 Statement were based in Conway Mill. Subsequently on the basis of confidential advice concerning strong paramilitary connections within the Mill complex Mr King decided in September 1985 that Government assistance should not be provided for any activity based in the Mill. Following that decision grants to a number of bodies operating in and out of the Mill were terminated.
3. The application of the Policy to bodies operating in or out of the Mill, or proposing to set up in the Mill, has been reviewed on a number of occasions most recently by the present Secretary of State in October 1989. On each occasion it was decided that the application of the Policy should remain unchanged.
4. HMG has also indicated to the Board of the International Fund for Ireland that it would be inconsistent with HMG's social and economic policies for the Fund to provide assistance to any body operating in or out of Conway Mill. The Fund is bound by this ruling in accordance with Article 3 of the Anglo-Irish Agreement which provides that disbursements from the Fund shall be consistent with the economic and social policies and priorities of the respective Governments. A copy of Mr King's Parliamentary reply of 9 February 1989 on this aspect is attached.
5. The provision of facilities in the area is an integral part of Government strategy and is being taken forward in the context of Making Belfast Work and the Belfast Action Teams Initiative.
6. For legal and security reasons, the Secretary of State cannot disclose the information on which the decision has been taken in this, or any other case. Ministers should not be drawn into discussion or speculation about the basis, or validity, of decisions on Conway Mill, or any other case.

C O N F I D E N T I A L



NORTHERN IRELAND
Information Service

27 June 1985

PARLIAMENTARY QUESTION

The Secretary of State, Rt Hon Douglas Hurd MP, today gave the following written parliamentary reply to Mr John M Taylor (Solihull), who had asked what plans Mr Hurd has to ensure that Government financial support for community activities is not used to foster the aims and objectives of paramilitary interests.

Mr Hurd: "It is the Government's policy to encourage voluntary and community-based activity which has the genuine aim of improving social, environmental or economic conditions in areas of need, and various grant-aid schemes exist for such purposes. However I am satisfied, from information available to me, that there are cases in which some community groups, or persons prominent in the direction or management of some community groups, have sufficiently close links with paramilitary organisations to give rise to a grave risk that to give support to those groups would have the effect of improving the standing and furthering the aims of a paramilitary organisation, whether directly or indirectly. I do not consider that any such use of government funds would be in the public interest, and in any particular case in which I am satisfied that these conditions prevail no grant will be paid."



NORTHERN IRELAND Information Service

9 February 1989

PARLIAMENTARY QUESTION

The Secretary of State, Rt Hon Tom King MP, today gave the following written parliamentary reply to Mr Greg Knight (Derby North) who had asked if he would indicate Government's policy on public funding of projects in Conway Mill with particular regard to applications for assistance from the International Fund for Ireland.

Mr King: "Government policy on the payment of public funds to community groups, where there is evidence that such payments could directly or indirectly further the aims of a paramilitary organisation, is set out in the parliamentary statement of 27 June 1985 by the then Secretary of State. The nature and extent of paramilitary influence within Conway Mill is such that this policy has been applied to groups operating in or out of the Mill. Whilst I have reviewed the situation I am satisfied from the information available to me that influence remains such as to justify the continued withholding of funds to such groups in accordance with the terms of the parliamentary statement.

Article 3 of the bilateral agreement of 18 September 1986 between the Governments of the United Kingdom and Ireland on the International Fund for Ireland provides that disbursements from the Fund shall be consistent with the economic and social policies and priorities of the respective Governments. I have accordingly indicated to the board of the fund that it would be inconsistent with the social and economic policies of this Government if the fund were to provide assistance to any body operating in or out of Conway Mill.

It is, on the other hand a most important aspect of our policies to stimulate development and activity in the more deprived areas of Belfast, including, of course, west Belfast. In this context, we welcome the initiatives taken by the International Fund for Ireland, within its programmes, to provide extra help for disadvantaged areas, including west Belfast. I understand that they have further proposals to that end under consideration."

BULL POINT BRIEFING

General

New Act came fully into operation on 1 January 1990.

All the necessary subordinate legislation has been made.

New institutions - Fair Employment Commission and Fair Employment Tribunal - are now in place.

New Act strengthens and sharpens the exist law.

Discrimination has been illegal since 1976 but new Act extends definition to include indirect discrimination.

Fair Employment Commission has inherited the former Fair Employment Agency's power to investigate any undertaking (public or private) at any time and issue legally binding directions.

Four main objectives of the new Act

- (1) Effective practice of equality of opportunity by employers (not simply the passive avoidance of discrimination).
- (2) Close and continuous audit of that practice.
- (3) Prompt remedial action where necessary.
- (4) Strong enforcement with tough penalties.

Ten key features will secure these objectives

- (1) Compulsory registration with the new Fair Employment Commission - this process is already well under way. All public authorities were registered on 1 January 1990 and all private sector firms with over 25 employees are required to apply for registration by 6 February 1990.

- (2) Compulsory monitoring - annual submission of workforce returns to the Commission to ensure continuous internal audit (by the employer) and complementary external audit (by the Commission). Private sector employers with more than 250 employees and all public sector employers also have to monitor job applicants. First monitoring returns will be with the Commission by early June 1990.
- (3) Compulsory review - employers must review their recruitment, training and promotion practices at least once every three years.
- (4) Affirmative action - this is a key feature of the Act. Employers must determine on affirmative action if their review of practices indicates that fair participation is not being provided for Protestants and Roman Catholics.
- (5) Goals and timetables - employers must consider setting goals and timetables when they determine on appropriate affirmative action.
- (6) Criminal sanctions - many defaults by employers have been made criminal rather than civil offences. In effect bad fair employment practice now carries the stigma of a criminal act.
- (7) Economic sanctions - defaulting employers will face loss of Government grants, and will be ineligible to tender for either Government or public sector contracts.
- (8) Strong directions and enforcement orders - the new Fair Employment Commission can issue legally binding directions (including affirmative action, and goals and timetables) and a new Fair Employment Tribunal (to which employers can appeal) can issue enforcement orders; failure to obey such orders can lead to a £30,000 fine or certification to the High Court - which has unlimited powers of fine and committal.
- (9) Indirect discrimination is outlawed - the new Act makes it clear that indirect discrimination is illegal (direct discrimination is already illegal).

(10) Code of Practice - the Commission has a duty to draw up a Code of Practice (though in the interim a document published in December 1989 by the Department has become the first Code under the Act); the Code is the "touchstone" for best practice; employers' practices will be judged against its recommendations by the Commission and Tribunal.

Other points to make

Act results from widespread consultation followed by full Parliamentary scrutiny at Westminster. There was also detailed discussion with the Irish Government under the aegis of Anglo-Irish Agreement.

Both SDLP and Irish have welcomed the introduction of the Act.

The Government remains committed to the promotion of equality of opportunity in Northern Ireland. Fair employment will continue to remain high on the political agenda.

The Act will be:

- evaluated through regular 6 monthly meetings between the chairman of the Commission and the appropriate Government Minister;
- reviewed formally at the end of 5 years but work on establishing the key indicators against which to measure effectiveness has already commenced.
- The Act will have best effect if complemented by increased investment. Government is working for this and welcomes the support of all those who seek the complementary objectives - effective implementation of the Act and increased investment in Northern Ireland.

FAIR EMPLOYMENT COMMISSION

1. Fair Employment (NI) Act 1976 relied on voluntary approach to equal opportunities.
2. Work of former Fair Employment Agency limited by:
 - Voluntary Declaration of Principle and Intent
 - Reliance on investigation by the Agency to compel affirmative action programmes
3. Main Duties of New Fair Employment Commission are:
 - to promote affirmative action
 - to maintain a Code of Practice
 - to give advice on request
 - to advise complainants
4. New Act strengthens and sharpens existing law and gives FEC extensive new powers beyond those of the former Agency.
5. The FEC's main powers are:
 - to investigate any employer at any time
 - to issue legally enforceable directions including affirmative action measures and goals and timetables
 - to disqualify defaulting employers
 - to audit the public sector's adherence
 - to seek High Court injunctions to stop contracts with disqualified employers
 - to audit employers' monitoring and review functions

- to support complainants before the Tribunal
 - to inform employers, following a complaint before the Tribunal that action is needed
 - to seek written undertakings from employers
6. The FEC will have increased financial and manpower resources
- financial resources substantial and double those of the former Agency
 - manpower will increase from 31 in August 1989 to 63 in January 1991
 - NEW Chief Executive appointed
 - additional senior posts created
 - new computer system to analyse monitoring return and labour availability statistics
7. Mandatory action allied to high resourced Commission should achieve more rapid progress in fair participation
8. Although limited by the terms of the 1976 Act, by 31 December 1989 the Fair Employment Agency had:-
- completed 66 formal investigations involving major institutions like banks, building societies, insurance companies, public bodies, universities and District Councils
 - achieved marked improvement in employment practices in institutions investigated
 - achieved a high public profile

In addition:-

- 680 firms had applied voluntarily to participate in the Government's Fair Employment Support Scheme (FESS)

- the 1987/88 recruitment figures for the 7 Building Societies show applications from Catholics were comparable to their proportion of the population
- Catholics represent 39% of recruits to the 5 Banks.

FAIR EMPLOYMENT: STATE OF PLAY

9. Significant changes in proportions of Catholics employed in various sections of employment:-

- proportion of Catholics in public sector is closely in line with their representation in population as a whole
- Catholics are 37% of Northern Ireland Civil Service - this represents their proportion of the adult population as a whole
- NICS has established an Equal Opportunities Unit
- between 1973 and 1985 Catholics employed in Northern Ireland Housing Executive increased from 25% to 37%
- Catholic appointments in Northern Ireland Fire Authority increased from 12% in 1983 to 38% in 1985 [Latest recruitment figure 22% in 1988/89: not for public release]
- recruitment in Ambulance Service shows proportion of Catholics at 25% in 1985 [Latest recruitment figure 35% in 1988/89: not for public release]
- in 25 out of 26 District Councils (excluding Belfast) overall 34% of Catholics are employed.

MacBRIDE CAMPAIGN - BULL POINT BRIEFING

1. Government Policy
 - The Government recognises problem of fair employment.
 - Totally committed to equality of opportunity. (Religious discrimination already illegal).
 - Northern Ireland fair employment legislation more radical than MacBride Principles.
2. US Interest
 - Understand US concern and why MacBride Principles seem attractive.
 - HMG shares objective of fair employment but concerned about MacBride campaign.
3. Campaign detrimental
 - Campaign counterproductive to investment.
 - Shareholder resolutions, State legislation (requiring monitoring and report to multiple interests), threatened disinvestment and product boycotts, raise doubts in corporate HQs about wisdom of investment in NI (possibly only a small part of the worldwide investment).
 - Locations with fewer "political" complications may appear more attractive to companies, investment advisors and private and institutional investors [including State Treasurers.]
4. Campaign negative
 - No attempt by the MacBride lobby to attract new industry to areas of high unemployment in NI (November 1989 unemployment rate 14.3%). Better to be constructive.
5. Wide ranging opposition to campaign
 - Those opposed include US Government; SDLP/John Hume (critical of effect on the ground in NI in terms of discouraging investment and jobs); trade unions (Irish Congress of Trade Unions rejected a pro-MacBride resolution); Fair Employment Agency (critical of impact on US employers and the job creation essential to progress).

6. Not just about fair employment
 - Key players in campaign include Irish National Caucus and NORAID (PIRA's registered "agent" in US). Only Sinn Fein among NI political groups supports the campaign.
 - Wider political objectives a motivating force.

7. ROI view
 - Taoiseach's view is that Principles are acceptable. But ROI welcomed new fair employment legislation as a "significant step forward" in the campaign to eradicate religious discrimination and a "serious attempt to respond to the problem and to point the way forward".

8. Conflict with NI law
 - FEA (and US State Department) view is that adherence to some of the Principles (which appear to envisage reverse discrimination) could be a contravention of domestic law. Companies have similar advice. Would obviously put the US companies in very difficult position.

9. Situation Report
 - MacBride Legislation is in force in 12 States (Massachusetts, New York, Connecticut, New Jersey, Rhode Island, Maine, Minnesota, Florida, Illinois, Michigan, New Hampshire, Vermont) and over 20 cities.
 - In 1989 Bills emerged in 12 States, passed in 2 (New Hampshire, Vermont), were successfully opposed in 9 and one remains dormant. As a result of lobbying Bills failed to emerge in a further 3 States.
 - 26 companies received shareholder resolutions in 1989.
 - no let up expected in Campaign, despite passing of Fair Employment Act.
 - Divestment Bill filed in Missouri; hearing planned for 22 January.

SHORTS PLC

The Defence Authorisation Act which contains an amendment by Congressman Joe Kennedy was signed into law by the President on 28 September 1988. The amendment was intended to prevent the Department of Defence from giving contracts to Shorts for the supply of Sherpa aircraft to the National Guard unless the Company provided the Army Secretary with a commitment that it would support equal employment policies. Shorts gave a 'best endeavours' commitment to the recruitment targets of 17½%, 25% and 33% in 1988, 1989 and the early 1990s and have also given a 'best endeavours' commitment to set aside \$5m worth of work to firms with predominately Catholic workforces and the contract was placed.

Recruitment

A 19% recruitment figure was achieved in 1988 and for the 13 month period to 31 January 1990 is expected to be 20-21% Catholic. Reasons for failure to achieve that 1989 target of 25% include the fact that a surplus of some 500 people was declared in July/August 1989 and recruitment was virtually stopped for the following 4 months. This significantly affected the intake to Short Brothers Plc and Dunmurry. In the NI subsidiary companies which were unaffected by the recruitment cessation the following percentages of Catholic intake were achieved:

Shorlac	-	20.1%
BHAS	-	36.7%
Newtownabbey	-	25.0%

Apprenticeships

The company continues to experience the twin problems of attracting sufficient Catholic apprenticeship applicants and a high rate of Catholic failures in apprenticeship aptitude testing. This has resulted in a 1989 apprentice intake of 11.1% Catholic. This latter problem is common to other large organisations in the province (eg H&W and NIE) and is currently the subject of an FEA investigation with which the company has co-operated. The results of this FEA investigation and any subsequent remedial recommendations are expected to be available from the FEA within the next two months - in time, hopefully to improve the 1990 intake.

Graduates

In the graduate area, the Catholic intake was 31.6%.