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PSDED 251/86

MR P N BELL
NIO(L)

cc PS/PUS (L&B)
PS/Mr Bloomfield
Mr McAllister
Mr Mayne
Mr Spence
Mr Chesterton
Mr M Elliott
Mr S Hewitt
✓ Mr Pearson
Mr R Wilson
Mr R Gamble

CATHOLIC EMPLOYMENT AT MACKIES AND
THE ANGLO IRISH AGREEMENT

1. Thank you for copying to me your minute of 17 March to Ronnie Spence, in which you suggest that under Article 5c of the Anglo Irish Agreement the Irish Government has a right to offer views in the Intergovernmental Conference on any industrial development project that might affect job opportunities for Catholics (which would in the end, I think, come down to any new project at all). I must say that that is not my reading of Article 5c; it seems to go well beyond the text. Certainly the Irish Government is entitled to put forward views on major legislation or major policy issues which significantly or especially affect the interests of the minority community. But your approach implies that they have a right to offer views on individual industrial development cases (or indeed individual cases of any other kind) - which is an entirely different matter. That appears to me to be a recipe for turning the Conference into a "complaints bureau", with all

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the difficulties that would entail; my understanding is that everyone involved, on both sides, has agreed that the Conference should not be used in this way.

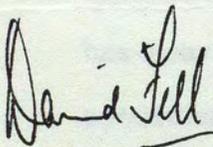
2. Ronnie Spence's point about the confidentiality of the relationship between IDB and its client companies is a valid one and was made after specific consultation with the Chief Executive. Companies prize this confidentiality and if they conclude that information provided for the purposes of negotiation of assistance may be used in discussions in another context, the freedom and frankness of their relations with the IDB may be expected to be damaged and perhaps seriously so. I therefore agree with his view that any tendency to raise individual industrial development cases that may emerge on the Irish side should be quite firmly discouraged.
3. You say in your third paragraph that you are sure that in any case the IDB does not take decisions without regard to the political context; that is certainly the case. But the location of a new investment - or the relocation of an existing one - cannot be regarded as an "IDB decision": the investor has a say in the matter. It is not possible for the IDB to direct investors to particular locations, and though it tries to influence location towards areas of high unemployment, the final choice, within the constraints of factory availability etc, must belong to the investor. The Intergovernmental Conference should not be a channel for complaints to the IDB on this score or for suggestions that the IDB might try to override the considered

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judgement of investors made following negotiations in which the differential rate of aid for various areas and other relevant factors will have been discussed. That is not of course to say that IDB would do other than have regard, in all its dealings with client companies, to Government's policy on equality of employment opportunity.

4. On a point of detail, (which of course strengthens and underlines the point I have just made), the IDB is legally a part of the Department of Economic Development, not a separate entity as your minute states (para 2). Nevertheless I think it is important that we all should remember that the IDB was established to take a commercial, and to that extent, independent view of industrial casework and will inevitably have views on the question of IDB casework being considered by any other body. This is a factor which should not be underestimated in considering the political sensitivities and serious difficulties which surround any question of casework being reviewed within the Conference arrangements.



DAVID FELL

26 March 1986

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