

CONFIDENTIAL

AJM/7/2/SB

Mr Capill

*If we are not careful,
we shall end up by
stealing ourselves in
to / out!*

Mr Lyon



cc PS/Secretary of State (L&B)
PS/PUS (L&B) *no 12*
~~PS/Mr Bloomfield~~
Mr Gilliland
Mr Abbott
Mr Reeve

2 ~~20/19~~ F/10
Mr Fell
Dr Harbison

cc. Mr Capill

DISINVESTMENT FROM THE USA

1. In your 11 February note on the McBride principles to the Secretary of State you remark that "we believe those [fair employment legislation and work of FEA] have acted effectively to counter discrimination". This may be true in general terms, but I believe the McBride principles are aimed at a more serious structural problem, and one in which we have made only limited progress during Direct Rule (though the Civil Service as such may have a good record of change over that period).
2. DFP have evidence from their surveys ("Religion and Employment") that virtually no change has taken place in the relative employment patterns by religious affiliation since 1971, and that:
 - i. Catholic under-representation in the manufacturing sector of the economy is still prevalent;
 - ii. Protestants continue to dominate the most influential, prestigious and strategic industries;
 - iii. the majority of skilled jobs and particularly the upper occupational classes are predominately Protestant;
 - iv. even within occupational orders that are mainly Catholic, positions of authority are held by Protestants;
 - v. economic recession has doubled the unemployment total since 1971;
 - vi. the overall contraction in the availability of work and opportunity is likely to reinforce and make more acute old attitudes and biases towards employment;
 - vii. unemployment is even more severely experienced by Roman Catholics in terms of both proportion of working population unemployed and the length of time spent out of work.
3. The Religion and Employment paper quoted an FEA report that Roman Catholics comprised 28.2% of the economically active population in 1971, but of the male and female unemployed some 47.4% were Catholic

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males and 41.4% Catholic females. By 1981 the Census showed similar proportions, though with a much larger pool of unemployed. (The high proportion of people who did not state their religion in 1981 makes comparison difficult, but the economically active population included between 26% and 31% Catholics, with the unemployed among RC males as a proportion of the total male unemployed some 41% to 53%—and 35-44% for Catholic females). In the 1% household sample of the Social Survey, returns showed that in 1983 14% of the economically active male Protestant population was unemployed compared to 36% or so of the equivalent Catholic male group - a factor which is clearly pointing to historic imbalance. Dr Harbison will have the returns shortly for the 1984 Household Sample.

4. I am not arguing that the factors which have led to this are necessarily all discriminatory - patterns of career grouping across the religious denominations, the decline of traditional industries in some areas rather than others, and educational patterns, have affected the position. We can argue that Fair Employment Legislation has a part to play, but its impact on the immediate position of Catholic jobs is slow and our briefing needs to take this into account. We cannot claim too much for the FEA legislation. To that extent more investment, which will enable private sector jobs to be created in areas where Catholics live, is all the more important. In American terms (ignoring the political problems in NI) the McBride proposals for "positive discrimination" have some appeal, and we need to keep the attention focussed on the need for investment to support our FEA programmes.

5. You may care to keep Dr Harbison (DFP's PPRU) informed of developments on this issue so that our responses do not leave us open to charges of overlooking the evidence. The detailed papers to which I refer above were copied to Mr Abbott on 18 October 1984, and you may want to see them.

6. Whilst I do not wholly favour an FEA declaration which matches the McBride principles, I wonder whether their rather flat declaration could be given a brighter tone.

AJM

A J MERIFIELD

11 February 1985

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cc Mr Bickham