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## BRITISH EMBASSY

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23 September 1986

Mr John L Maresca  
Deputy Assistant Secretary of  
Defense (European and NATO Policy)  
Room 4D822  
The Pentagon  
WASHINGTON DC 20301

*Dear Mr Maresca,*

### SHORT BROTHERS

When my Ambassador met Secretary Weinberger on 19 September, it was agreed that we would send you some material on Short Brothers which might be useful as you consider the recent letter from Congressman Biaggi and his colleagues.

I imagine that you will not want to provide a blow-by-blow rebuttal of the Biaggi group points: I suspect that nothing would please them more than to suck the Administration into a debate on employment practices in Northern Ireland. But you might be interested to have, as background, the enclosed commentary (prepared by Short Brothers) on their various allegations. The main points, I think, are that:

- (a) in 1983 Shorts agreed an affirmative action programme with the Northern Ireland Fair Employment Agency, the independent watchdog responsible for promoting equal opportunity. There has since been regular monitoring, and Shorts have cooperated fully with the FEA, and adopted a number of additional measures to enhance their fair employment procedures. They have also employed an independent firm of consultants which found no evidence of discrimination. Under the affirmative action programme, Catholic adult recruitment at Shorts has risen to 18%. As a result Catholics now comprise around 10% of the total workforce - double the figure in the late 1970s. Shorts have made particularly significant advances with apprentice recruitment where Catholics now represent nearly a quarter of those taken on. This is very close to the proportion of Catholics in the greater Belfast area.
- (b) The Shorts management and UK Ministers immediately and publicly denounced the August outbreak of intimidation of workers by militant extremists. The company called in the police and ordered that the factory be cleared of provocative flags and bunting.

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The Chairman made clear that Shorts was "absolutely committed to providing equality of opportunity in employment for all ... and to maintaining in the factory an atmosphere free from intimidation and threats". I enclose the texts of the letters sent by the Shorts Chairman to the workforce and of the statement issued by the Minister of State at the Northern Ireland Office.

As you know, Shorts and the US Air Force signed a contract in 1984 for the supply of Sherpa aircraft for the European Distribution System. I understand that the USAF are well pleased with their performance; and that Shorts and the USAF have now agreed in principle that the options in the original contract should be extended. Although the US Air Force sees no present need for further Sherpas, Shorts attach importance to maintaining the options for future use by the US Armed Services. The UK authorities, for their part, hope that discussions on detailed contract arrangements will be successfully concluded during the current 60-day interim grace period.

I am sending copies of this letter to Edward Trusela, Deputy for Acquisition in the Air Force Department, and to Jim Wilkinson in the European Bureau at the Department of State.

Yours ever,

*J O Kerr*

J O Kerr

P.s. Welcome! I hope we may meet before long. May I offer you a lunch?

*JO*



COMMENTS ON CONGRESSMAN BIAGGI'S LETTER OF 10 SEPTEMBER

- a) "Since the time that the contract was awarded to Short Brothers, they have failed to meet the basic test of the Fair Employment Act by providing equality of opportunity for both communities in N.I."

Fact - a series of monitoring reviews by the Fair Employment Agency during the period since contract award have revealed no instance of failure to comply with the Act. A further independent investigation by the Tavistock Institute has found no evidence of discrimination.

Fact - a number of complaints by individuals (both Catholics and Protestants) have been heard by the Agency under the provisions of the Act. In no case, was a finding made against Shorts.

- b) "In 1978, Short Brothers, which is Northern Ireland's largest employer, had a workforce of over 5,000 persons. A total of 5 percent were Catholic."

Fact - in 1978, our workforce was 6,400.

Fact - the FEA's assessment was that in 1978/79 between 3% and 8% of our workforce, and 6% of our Apprentice intake, were Catholics.

- c) "As of August, 1986 Short's total employment had increased to 7,000 persons, yet the percentage of Catholics has remained at 5 percent, despite the fact they comprise 38 percent of the population in N.I. It should also be noted that almost one third of the new jobs created were as a result of the Air Force contract."

Fact - our estimate of the proportion of Catholics in the total workforce today is 9-10% (double the 1978/79 proportion).

Fact - the polarisation of the community in recent years affects our intake. An FEA research paper showed the following results



X

Prepared to work in  
the Queen's Island area

	<u>Yes</u>	<u>No</u>
All Protestants	98%	2%
All Catholics	51%	49%

This makes the overall 38% of the population a fairly meaningless statistic in this context.

Fact - Short's workforce is now around 7,000 but that does not stem from the US Air Force contract. In our year to 31 March 1985, when activity on that contract was at its peak, employment averaged 6,587.

- d) "With respect to recruiting policies, Short Brothers has actually regressed since the contract was signed. According to the Fair Employment Trust, during the nine months after Short Brothers secured the Defense Department contract, the proportion of Catholics recruited actually decreased by 2.6 percent despite the fact that the proportion of Catholic applicants increased from 17 to 26.6 percent."

Fact - recruitment statistics to date are as follows:

	<u>Total New Starts</u>		<u>Apprentices</u>	
	No.	%	No.	%
1) Jan - Sep 1983	42	14.8	8	12.7
2) Oct 1983 - Mar 1984	28	16.6		
3) Apr - Dec 1984	95	15.8	26	23.9
4) Jan - Nov 1985	154	15.7	26	22.6
5) Dec 1985 - Aug 1986	23	18.0		

Not  
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Compared with the 1978/79 baseline, these figures show that substantial progress has been made.

In considering the above figures, it should be noted that the most recent census (1981) showed that in Northern Ireland as a whole the proportion of Catholics with engineering skills was 12.6%. Only through changes in the Apprentice intake can this pattern be changed which is why Shorts and the Agency have put great emphasis on that area.



The FEA were concerned about the Period 3 figures, but subsequent exhaustive analysis by the Tavistock Institute has found no evidence of discrimination.

- e) "In addition, Short Brothers refused for a period of five years to sign the Fair Employment Agency's declaration of intent to provide equality of opportunity in employment."

Fact - not true.

- f) "In recent months, published reports have indicated that Short Brothers has allowed their facilities to be used by Unionist extremists for purely sectarian activities aimed at intimidating the minority employees of Short Brothers."

Fact - Short Brothers have never 'allowed' their facilities to be used in this way. A single incident of intimidation took place in which clock cards of 7 Catholic employees were taken, and a small notice in the form of an open letter to management put up in three places in the factory. The Company immediately called in the police, who are pursuing the investigation vigorously. At the same time, the Company ordered the factory to be cleared of all flags, bunting, emblems, and political symbols, and this is now almost complete.

- g) "In our judgment, Short Brothers' policies and refusal to work toward improvements in expansion of opportunity for both communities is most disturbing."

Fact - Short's stated policies are totally in support of equality of opportunity regardless of religious affiliation. Short's has never refused to work towards that objective, and has implemented each and every suggestion made by the Fair Employment Agency following from their reviews.