

MRS D E McNALLY
SIL DIVISION
18 APRIL 1991

cc PS/S of S (L&B)	- B
PS/ Ministers (L&B)	B
PS/PUS (L&B)	- B
PS/ Mr Fell	- B
Mr Pilling	- B
Mr Loughran DED	
Mr Hopkins IDB	
Mr Thomas	- B
Mr Alston	- B
Mr Spence DED	
Mr Hamilton Cent Sec	- B
Mr D A Hill	- B
Mr McNeill PAB	- B
Mr Smartt DED	
Mr A Wood	- B
Mr Smith IDB	
Ms McIver	
Mr Beeton	
Mr Percival	
Mr Archer RID FCO	- B
Mr Burns NAD FCO	
Sir G Jewkes HMCG	
New York	
HMCG Atlanta	
HMCG Boston	
HMCG Chicago	
HMCG Houston	
HMCG Los Angeles	
HMCG San Francisco	
HMC Cleveland	
Mr Henderson Washington	
Mr Scraftan Ottawa	
Mr D Herbert Montreal	
Mr Kirk BIS New York	

THE MACBRIDE CAMPAIGN CURRENT LEGISLATIVE POSITION

2. As you will see there has been a lot of activity at Federal, State and City level with bills having been introduced so far this year in eleven States. Three of these (New Mexico, Virginia and Washington) have already failed to pass.

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3. Against this we are facing a bill to impose contract compliance on US companies doing business with New York City and which have NI operations. This is a worrying development; for example Bombardier made over eight hundred and twenty five subway cars for the City's transportation system last year.

Signed

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STATE LEGISLATION

MacBride Legislation is now in force in 12 States. In order of adoption they are:-

Massachusetts	(1985)	Monitoring; shareholder resolutions
	(1988)	Application of 1985 Bill extended to pensions funds
New York	(1986)	Monitoring; discretionary divestment
Connecticut	(1987)	Divestment; shareholder resolutions
New Jersey	(1987)	Monitoring; support for shareholder resolutions
Rhode Island	(1987)	Monitoring; divestment encouraged; shareholder resolutions
Maine*	(1988)	Monitoring; shareholder resolutions
Minnesota*	(1988)	Monitoring; shareholder resolutions
Florida	(1988)	Monitoring; discretionary divestment
Illinois*	(1988)	Report on compliance in year ending 1.7.89
Michigan	(1988)	Shareholder resolutions
New Hampshire*	(1989)	Monitoring; discretionary investment; shareholder resolutions
Vermont*	(1989)	Monitoring; shareholder resolutions

Professional lobbyist employed.

By December 1990 all Bills had failed to pass in the States where they had been introduced - Colorado, Maine, Massachusetts, Missouri, Nebraska, Ohio, Oklahoma, Pennsylvania, Utah and Virginia (where the Bill was carried over to the 1991 session and died in Committee). The only exception was CALIFORNIA which passed a resolution calling for a report from the Auditor General on the extent to which US firms operating in Northern Ireland were adhering to the MacBride Principles and the Fair Employment Act. The Report was published in December 1990 and contains a neutral view of its subject.

ACTIVITY IN 1991

Signs so far in 1991 forecast considerable activity on the MacBride front. A new umbrella group calling themselves "Americans for MacBride" has been formed to co-ordinate and advise on activity throughout the US and NORAIID has announced MacBride a primary political goal for 1991 and onwards.

Bills have emerged this session in 11 states:-

California*	Monitoring; report on compliance; shareholder resolutions.(passed out of Committee with a 4-1 vote in favour. Will now be scrutinised by the Senate Pensions Committee and will be the subject of another hearing, perhaps in early July.)
Indiana*	Monitoring; annual report
Maine	Divestment; hearing scheduled for 22 April 1991.
Massachusetts	Monitoring; contract compliance (additional to 1985 and 1988 Bills)
Missouri*	Divestment
ØNew Mexico	Reporting; affirmative action; ban on future investments. Vetoed by Governor 6 April 91

io Ban on investment; discretionary divestment.

Pennsylvania* Monitoring; investment to reflect advances; discretionary divestment.

Texas Monitoring; shareholder resolutions; discretionary divestment. Bill will be held in Committee.

ØWashington Monitoring; investment to reflect advances; annual report; discretionary divestment. Bill died in Committee.

Virginia Discretionary divestment, ban on future investments. Referred from 1990 session. Bill died in Committee.

Ø No previous MacBride activity

FEDERAL LEGISLATION

1. Congressman Eliot Engel introduced a Bill in the House of Representatives in January 1991 which requires entities employing more than 20 people to comply with the MacBride Principles, in order to become eligible to receive funds from the International Fund for Ireland. A similar Bill introduced in 1990 made no headway.
2. Congressman Fish in February 1991 introduced a Bill providing for a ban on imports from US companies in Northern Ireland not adhering to the MacBride Principles. Similar Fish Bills made no headway in the previous two sessions.
3. Senator D'Amato has introduced a MacBride Bill. D'Amato Bills in 1987/88 and 1989/90 did not move.
4. Senator Frank Lautenberg in April 1989 introduced a Bill supporting shareholder resolutions and linking Federal funds to compliance with the amplified MacBride Principles. There was no movement on the Bill, which died at the end of the 1990 session.

1988 Defence Authorisation Act contains an amendment by Congressman Joe Kennedy, intended to prevent Shorts from receiving Department of Defence contracts to supply Sherpa aircraft to the National Guard unless the company undertook to support equal employment policies. The contract was placed after Shorts gave "best endeavours" commitments to Catholic recruitment targets. A further Kennedy amendment (September 1990) would require Shorts to file annual reports on the value of its Sherpa sub-contracts with firms employing predominantly Catholics.

CITY RESOLUTIONS

City Council Resolutions or legislation relating to the MacBride Principles have been passed in over 30 cities. At a Hearing in March in New York City a Bill requiring companies, wishing to do business with New York City agencies, to adhere to the MacBride Principles received warm support and is likely to pass this Summer. A similar bill has been introduced in Cleveland and a hearing will take place there on 30 April.

COMPANY DIMENSION

Attitudes towards the MacBride Campaign amongst companies continue to vary where some look upon MacBride as a serious irritant and others take a more sanguine view. In the past few years New York City Comptroller's Office has offered to withdraw shareholders' resolutions if companies agree to make "all possible lawful" efforts to implement the fair employment standards embodied in the MacBride Principles and to permit independent monitoring. At least 15 companies have, to date, signed such a statement the bulk of them since the introduction of the New York contract compliance Bill in December 1990. So far in 1991, 22 companies are facing shareholder resolutions, and in addition, 11 proposed resolutions have been withdrawn by the sponsors.

The average vote in support of resolutions last season was under 10% and it is believed that all the companies remain strongly opposed to adopting the Principles. Claims by the Irish National Caucus that Belleek Pottery had become the first signatory to the MacBride

Principles were quashed by the company Chairman, Mr George Moore. Press reports that Federal Express, which had reached an agreement with the New York City Comptroller's office, had rejected a move to a predominantly Protestant area (Ballyclare) following pressure from MacBride advocates was denied by the company. A company spokesman said the Ballyclare site was rejected because it was not regarded as a neutral position and "had nothing to do with the MacBride Principles, it is just good business practice"

On the whole there remains a general reluctance by US companies to risk exposure to further attacks by taking a pro-active role in opposing MacBride.

DIVESTMENT/CONTRACT COMPLIANCE

Assemblyman John Dearie, one of the main sponsors of a Bill which in 1986 provided NEW YORK STATE with discretionary divestment powers, urged the Comptroller's office in 1989 to divest from those companies which failed to respond to the annual survey which the Controller is required to carry out under the state legislation. The Comptroller has refused to do so as he is opposed to divestment in connection with Northern Ireland or elsewhere. Assemblyman Dearie has subsequently decided to introduce legislation calling for a 1% MacBride disinvestment.

COMMENT

All this adds up to 1991 being a busy year. To date MacBride proponents have had little success outside of their natural constituency (the Irish-American States, mainly on the Eastern Seaboard) evinced by the fact that out of 15 States facing MacBride legislation over the last 2 years, only 2 have succeeded in passing Bills and no Bill has passed since May 1989. Federal legislation has not made much progress and has not so far proved a threat.

The potential of the MacBride campaign to be a disincentive to US investment (the hassle factor) remains. Contract compliance initiatives such as that of New York City are especially worrying as are current efforts to extend the campaign into the investment community including university and college portfolios.