

*Minister,
for information
Duck
✓ 777*

PS/Mr Viggers (B&L)

cc PS/SOS (B&L)
PS/PUS (B&L)
PS/Sir Kenneth Bloomfield
Mr Stephens
Mr Fell
Mr McAllister
Mr Mayne
Mr Gibson
Mr Gowdy
Mr Wolstencroft
Mr Warnock

Return Mr Wolstencroft

*M
8/7*

DISPLAY OF FLAGS: GALLAGHERS/SHORTS

1. As the Minister is aware the FEA has received a number of representations from employees of Gallagher's Lisnafillan plant regarding the Company's capitulation on the display of flags etc. So far, no employee has been prepared to complain formally to the Agency and thus trigger an Agency investigation. According to the Chairman of the FEA, Mr Cooper, those concerned are too frightened.
2. In a telephone conversation with me today Mr Cooper reiterated that he is appalled at Gallagher's decision. He also indicated that Mr Farren (SDLP) has been pressing the Agency to respond vigorously on the issue. Quite apart from Mr Farren's representations Mr Cooper has now decided to write to the Company to inform them of the Agency's intention to investigate the Company's employment policies and practices under Section 12 of the 1976 Act. Mr Cooper anticipates that the investigation will get underway in 3/4 weeks time.
3. Mr Cooper made the point that the FEA has been working with Gallaghers for some time on a voluntary basis and that present agreements between the FEA and the Company regarding recruitment practices etc are entirely voluntary. This means that the Agency cannot insist on adherence. The only solution from the Agency's point of view is to carry out a formal investigation and impose requirements on the Company which can be enforced if necessary. Indeed the Agency had planned to carry out a formal investigation some time ago but decided, in the light of representations from Gallaghers, that given the full co-operation of the Company a voluntary approach was worth pursuing. The Agency will be more wary in the future. An investigation under Section 12 will mean a close examination of the Company's employee profile and its recruitment machinery and procedures etc as well as the nature of the working environment.
4. In a subsequent conversation Mr Cooper told me that the Company had issued a further letter complaining about the excessive display of flags, including Ulster flags, and stipulating that only one flag per machine was permitted.

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The management then removed a number of flags but these were replaced within the next few hours, with a promise of more to follow. Mr Cooper then informed me that Mr Patrick Doherty, who is an aide to Comptroller Goldin in New York and a leading light in the MacBride campaign had telephoned him regarding proposed FEA action on Gallaghers. Mr Cooper stated that he was not prepared to discuss the FEA' position.

5. In the course of conversation Mr Cooper also told me that he was impressed by Sir Phillip Foreman's resolve on the flags issue at **Shorts**. He indicated that FEA staff who had been carrying out a validation exercise in Shorts had been withdrawn temporarily for safety reasons. This will delay the validation of figures on the number of Catholic employees in Shorts.

R Wilson
R WILSON

2 July 1987