

CONFIDENTIAL

UNDER/ SEC 4284 18 SEP 1996 CENT SEC

FROM: RICHARD LEMON PS/MICHAEL ANCRAM 18 SEPTEMBER 1996

Handwritten notes: Mr. G... s. B. 8/10.3ar P. 19/5. "Boycotts" R.C. S. 8/10 I'm enthusiastic about information to CRDs. let you

- cc: PS/Secretary of State (L&B) - B PS/Sir John Wheeler (L,B&DFP) - B/M PS/Michael Ancram (L&B) - B PS/Baroness Denton (L,DANI&DED) - B/M PS/PUS (L&B) - B PS/Sir David Fell - B Mr Thomas - B Mr Legge - B Mr Bell - B Mr Leach - B Mr Steele - B Mr Watkins - B Mr Wood (L&B) - B Mr Stephens - B Mr Maccabe - B Mrs Collins - B Mr Hill (L&B) - B Mr Lavery - B Mr Perry - B Mr Stanley - B Mr Gamble - B Mr Whysall (B&L) - B Ms Mapstone - B

ASST/ SEC 18219 10 SEP 1996 C.C.R.U.

Mr Canavan might have a word with the Lemon to see if x that he takes forward, re Low. No 18.1 - No CRDs - limited detail.

MICHAEL ANCRAM'S MEETING WITH REPRESENTATIVES FROM UNIONIST PARTIES INCLUDING MR ALAN FIELD (BUSINESS AND PROFESSIONAL PEOPLE FOR THE UNION) IN CASTLE BUILDINGS ON 17 SEPTEMBER 1996

Those present:

- Mr Wilson - UKUP Mr Donaldson - UUP Mr Weir - UUP Mr Gibson - DUP Mr Cobain - UKUP Mr Field - Business and Professional People for the Union (and UKUP) Michael Ancram Mr Maccabe Mr Lemon

Introduction

The Minister began by outlining the background to the meeting which came about following Mr McCartney's approach to the Secretary of State and Baroness Denton. The Minister said he understood the purpose of the meeting was to discuss economic boycotting which he pointed out had been condemned by the Secretary of State only yesterday. The Government would take every opportunity to make it clear that nothing was to be gained by boycotting which was clearly divisive.

CONFIDENTIAL

DETAIL

2. Mr Wilson said he appreciated the opportunity to talk to the Minister and explain the information which he had in his possession through the report compiled by the Business and Professional People for the Union. The report sought to summarise results of the survey of economic boycotting in border areas and drew attention to the effect on the Protestant community.

3. Mr Field handed the Minister a copy of the document, 'Report on the Political/Sectarian Boycotting of Businesses in Northern Ireland July/August/September 1996' (Mr Field is a member of the UKUP support team and produced the report for People for the Union which according to the report is "non sectarian and is not affiliated to any political party, but wishes to associate with all those who desire to maintain the Union with Great Britain"). He said that 50-60% of those included in the survey had been severely affected by economic boycotting. The effects of this had not just been on individuals in business but on whole families, many of whom had been hesitant about going public for fear of retaliation against them or their families. A large number had been under pressure from the threat of terrorist action and there were many examples of families having lost their homes or been the victims of fire bomb attacks. There had been an orchestrated campaign to drive Protestant people out of border areas. Reports of intimidation had been common-place and it was notable that economic boycotts were holding firm in areas where Sinn Fein/IRA were strongest.

4. The Minister asked if cases of intimidation were reported to the Police. Mr Field said that many people were at a loss and did not know what to do. They felt intimidated and it was difficult for them to draw attention to themselves by reporting the intimidation to the Police. He asked whether the law could address any claims for compensation in cases where there was a loss of business due to intimidation. Mr Wilson asked if a letter showing evidence of intimidation were shown could this make any difference to a claim for compensation. The Minister said that he did not have a definitive answer on the details of the compensation regulations but

*Adams
says he
marks !!*

he did not believe that such payments could be made. He said one difficulty might be that intimidation is not always terrorist related, and to prove it was, and not due instead to criminal activity, would be difficult.

5. Mr Maccabe said that it could be the case that some people included in the survey may have simply chosen not to enter certain shops. Mr Field said that the people to whom he had spoken had not all been Unionists and were not people connected with Drumcree. The Minister asked where people in small communities shopped when they did not enter local businesses. Mr Field said that there was evidence that buses transported them to other towns and he believed that many community centres were the focus of Sinn Fein activity and much of the economic boycotting was now being orchestrated by them.

6. Mr Wilson suggested that Government could do two things. Firstly, community relations officers should monitor these types of actions and inform Government. In addition, Government should seek assistance from the Catholic Church which he said, has the power through the pulpit to bring people back into local businesses.

7. The Minister said that helpful statements had been made by Dennis Fall and more recently Cardinal Daly. He said the Government had not made stronger statements before now because it was seen as a sensitive issue which could have been made worse by more forthright condemnations.

8. Mr Wilson said that the issue raised problems for employers in Fair Employment. The difficulty was now that if an employer wanted to dismiss an employee they would be worried that by doing so they might be accused wrongly of unfair dismissal on the grounds of religious discrimination.

9. Mr Wilson asked if the Minister could meet some local traders, and/or a group of wholesalers. The latter group had threatened to retaliate by boycotting business in Dublin - something which Mr Wilson thought would be counter-productive. He said

That's
not
the
the

7

CONFIDENTIAL

meeting the Minister would give those people great confidence and show that at least the Government was aware of the problem. The Minister said that he would meet traders, possibly with Baroness Denton.

10. Mr Field repeated that the boycotting was now orchestrated by Sinn Fein who had taken control and now had a firm hold of the situation. Mr Weir referred to the widespread fear which, he said approached panic in border areas. Mr Gibson said that the result of the boycotts was a form of ethnic cleansing which had a disastrous effect on community relations and on business prospects.

11. Mr Field said that some people had been disappointed by the attitude of the SDLP who had sounded like they supported Sinn Fein. The Minister suggested that the parties use the opportunity of Castle Buildings to raise these questions with SDLP.

12. The Minister said that he had recently met all of the community relations officers who were very aware of the problems on the ground. He said he would pass on this information to them and to Cardinal Daly. how?

13. After general agreement that boycotting on either side could lead to a vicious circle of tit for tat boycotts which would not benefit anyone, Mr Wilson referred to a 'sinister and deeper' motive behind the Frameworks Document. He said it had talked of harmonising business, North and South but yet there were now businesses in GB which were sourcing businesses in ROI at the experience of NI - this he said was a worrying trend. The Minister said firmly that the Frameworks Document could not be blamed for economic boycotting.

Signed

R P LEMON
PS/Michael Ancram

CONFIDENTIAL

SSTALKS/603

299



MR. CANAVAN

BUSINESS AND PROFESSIONAL
PEOPLE FOR THE UNION

P.O. Box 324, Belfast BT4 3TN

ASST/
SEC
20 SEP 1996
C.C.R.U.

3349.
19SEP1996
CENT SEC

REPORT ON THE
POLITICAL/SECTARIAN
BOYCOTTING OF BUSINESSES
IN
NORTHERN IRELAND
JULY/AUGUST/SEPTEMBER
1996

*Business and Professional People for the Union is non-sectarian and is not affiliated to any political party,
but wishes to associate with all those who desire to maintain the Union with Great Britain.*

300

BUSINESS AND PROFESSIONAL PEOPLE FOR THE UNION

REPORT ON THE POLITICAL/SECTARIAN BOYCOTTING OF BUSINESSES IN NORTHERN IRELAND JULY/AUGUST 1996

1. The BPPU is a body which came into existence in 1995 to represent the views of those business and professional people in Northern Ireland who are committed to maintaining the Union between Great Britain and Northern Ireland. It was felt, at that time, that the established organisations such as the CBI and the Institute of Directors, did not reflect the views of the business and professional classes, in that the CBI and the Institute were too ready to support Government policy, particularly where the effect of Government policy was to weaken the Union.

2. This report summarises the results of a survey of boycotting activity in border areas throughout Northern Ireland. For convenience, a sample list of the boycotting episodes is contained in Appendix I.

This consists of a brief description of some incidents. Many of these have been investigated in depth by BPPU members, while others are as reported by various agencies, or are based on press reports..

3. The boycotts contain a number of significant features.

a. There was evidence that the boycott was organised. A letter was sent to about 8 traders in a town in which the writer expressed disquiet at the incidents arising out of the Drumcree confrontation and declared his intention to withdraw his custom from shops or businesses owned by those whom he considered were involved or condoned what the author describes in emotive language as 'intimidation and horrific acts of violence against innocent Catholics....., anti-Catholic thuggery.....', etc.

The vast majority of the recipients of this letter are not members of any of the Loyal Orders and had absolutely no connection with any protests. Their only 'crime' is to live and conduct business in areas with large nationalist populations.

b. There is evidence that the boycotts were planned prior to the Drumcree confrontation. One of the traders was told that his name had been mentioned as a likely victim of a boycott on 9th July, i.e. 2 days before the Drumcree situation came to a head.

c. Few of the traders chiefly affected by the boycotts were involved in roadblocks or any other action associated with Drumcree, in fact only a small number are members of the Orange Order. The conclusion is therefore that the organisers of the boycotts are either poorly informed, which, being local people in a small community, seems highly unlikely, or the boycotts are not a reaction but political and sectarian.

d. The suddenness and completeness of the boycotts lend credence to the view that they were planned in advance.

e. The boycotts appear to have been enforced. In several cases a number of extremists from the nationalist community, well known to the traders, were seen to be keeping observations on the boycotted stores. Also when a few of the ex-customers of the businesses started to return, it is understood that they were telephoned and warned to stay away.

f. The businessmen are fearful of going public about their predicament because it may make their situation worse and exacerbate the damage already done to community relations. They make the valid point that the number of murders of their community by the IRA/Sinn Fein and the destruction of property over a period of 27 years has not led them to striking back against the nationalist population whereas the Drumcree incidents are being used as a pretext by the nationalists to undermine their livelihoods and to drive them out of business, and ultimately out of the area altogether.

g. A failed Sinn Fein/IRA attempt to relocate a Post Office in a nationalist estate has been followed by the organised bussing of benefit claimants to an alternative Post Office in another village.

h. There is growing concern at the boycotting of protestant/unionist businesses by catholic/nationalist businesses. Those currently brought to our attention are in the mushroom growing and quarrying sectors.

i. Incidents in the Republic of Ireland causing concern are the intimidation and firebombing of a Protestant business and what has been described as 'the illegal use of the Garda to enforce a boycott of any business in the Republic that wishes to act as a courier, on the public's behalf, for the U.K. National Lottery.'

j. The S.D.L.P. publicly introduced the concept of boycotting when, in the same week as the business boycotts got underway, they announced their party would boycott the Forum aspect of the multiparty talks. The S.D.L.P. response to the boycotting of Protestant businesses has been the same as Sinn Fein/IRA. i.e., promoting it as an acceptable action against 'legitimate targets'.

k. In parallel with the boycotts there has been a wave of physical attacks on Unionist farms and businesses in various border areas.

4. We would suggest to the Minister that the boycotts and the various incidents involving violence and destruction of property referred to in this paper indicate clearly that there are two strands of Government policy which are inherently contradictory and which work against each other. On the one hand there is the aim to please the pan-Nationalist front. On the other, there is a perceived need to preserve or improve community relations. Quite clearly, the pursuit of the former aim is having disastrous consequences for the latter. Community relations have never been at such a low ebb and they appear set to get much worse. The political and sectarian boycotts against the Unionist community, if they persist, will inevitably be followed by counter-boycotts against nationalist-owned businesses in mainly Unionist areas.

We have a number of specific questions for the Minister.

a What is the precise legal position in regard to the likely success of claims for compensation arising from a boycott. What evidence would be required?

b What is the position with regard to the use of Community Relations vehicles for political purposes such as the bussing of customers to nationalist shops?

c What can or will, the Government do to discourage the use or organisation of boycotts and prevent the spread of such tactics?

d We are aware of a potential problem in regard to the effect of boycotts on employment. Apparently there is pressure on employers to make members of the nationalist community redundant in circumstances where boycotts are being pursued. This pressure is said to come from the employees themselves because they want to remain eligible for Social Security benefits. However if their wishes are granted the employers are laying themselves open to claims for unfair dismissal. How can employers protect themselves against these tactics?

e There is a distinction between consumer boycotts of retail businesses and boycotts of companies by other companies. Is this not a case of unlawful discrimination on religious and political grounds?

If so, should this kind of unlawful discrimination not disqualify the offending company from receiving Government grants and lay them open to prosecution?

f Will the Minister take up the issue of U.K. National Lottery couriers in the Republic of Ireland, with that government, as this is having an effect on the lottery retailers in Northern Ireland?

APPENDIX I

SURVEY OF POLITICAL/SECTARIAN BOYCOTTS IN NORTHERN IRELAND

CASE NO 1 CASTLEDERG

A number of traders reported the sudden loss of custom from the nationalist community on 16th July. This had been preceded by an anonymous letter to each of them on 16th July accusing them of taking part in the actions which followed the Drumcree confrontation. As nationalists formed up to 50 per cent of their customer base the boycott has had a serious effect on their businesses. In one case takings were down by £8,000 per week. The boycott has been policed by political extremists known to the traders. They have been spotted keeping observations on who enters the shops in question. Any drift back of nationalist customers has been checked by telephoned warnings to those concerned, according to information reaching the traders. Prior to the present boycott, there was an attempt by Sinn Fein to get the Post Office re-located in a nationalist estate but this failed. Since then, there has been a determined attempt to divert custom from a Post Office by bussing benefit claimants to a nationalist-owned Post Office in a neighbouring village.

CASE NO 2 AUGHER CO TYRONE

A switch from Unionist to nationalist-owned shops as part of a comprehensive boycott was reported in this village, irrespective of whether the Unionists were members of the Orange Order or took part in the Drumcree incidents. On a related front the local Development Association has been disbanded and community relations are at an all-time low.

CASE NO 3 BRYANSFORD CO DOWN

A trader in this area has been subjected to a boycott. An interesting characteristic of this boycott has been that in spite of SDLP condemnation of the boycotts, he reports that many of his missing customers are middle-class SDLP types.

CASE NO 4 CASTLEWELLAN CO DOWN

Every Protestant-owned shop in this town, as well as being boycotted, was physically attacked, irrespective of the involvement of the owners in the Orange Order or the Drumcree incidents. As a result one person has gone out of business.

CASE NO 5

CASTLEDERG CO TYRONE

A Castlederg businesswoman whose shop in Letterkenny, Co Donegal has been destroyed in an arson attack, also ran a business in Castlederg. Members of the nationalist community have set up a collection point to have the service which she provides, carried out in the Irish Republic.

CASE NO 6

ENNISKILLEN CO FERMANAGH

As a result of the boycott of a school uniform supplier, the businessman in question will lose the agency.

CASE NO 7

LISNASKEA CO FERMANAGH

The last remaining Protestant owner of a petrol station in this town has been subjected to a boycott in spite of the fact that he has no links with the Orange Order or with Unionism.

CASE NO 8

POMEROY CO TYRONE

A milk delivery business has collapsed as a result of a boycott. A butchers shop has also been seriously affected..

CASE NO 9

REPUBLIC OF IRELAND

Members of the Garda are visiting shopkeepers, in Dublin, who act as couriers for the U.K. National Lottery, warning them not to continue. One trader was arrested, but was not charged with any offence as he was not breaking any law. Even after this ruling the Garda continue to harass traders.

CASE NO 10

CO ARMAGH

A number of companies have cancelled supply contracts with Protestant owned companies.

CASE NO 11

CO TYRONE

An oil supply business has been set up by Nationalists to cater for those customers that are boycotting a Protestant owned business. A Catholic who refused to change allegiance to the new business suffered a hatchet attack to his full oil tank, the contents of which polluted his property.

THESE ARE ONLY SAMPLES OF THE SECTARIAN BOYCOTTING TAKING PLACE ACROSS NORTHERN IRELAND AND IN THE REPUBLIC OF IRELAND.

nb. Most recent reports suggest that intimidation, by Nationalists, is hardening to ensure the boycotts continue to hold firm.

CONCLUSION

1. The boycott campaign, where there was, initially, perhaps a degree of spontaneity, is now organised and two months after Drumcree is being enforced in areas where Sinn Fein/IRA are most active.
2. The boycott campaign is both sectarian and anti-British in nature, and not now based on events at Drumcree, as some would suggest.
3. The boycott campaign is a continuation of a Republican ethnic cleansing campaign aimed at British businesses in border areas.
4. The boycott campaign is having a disastrous effect on community relations, with traders regarding the situation as the worst they have ever experienced.
5. The effect, in human terms, is distressing due to completely inaccurate rumours being spread round local communities so as to give reasons to boycott.
6. The effect on personal finances is severe. Employees have been paid-off and overtime cut. The income of extended families, running family owned businesses, is being badly affected.
7. In some areas, Nationalists are taking advantage of traders' predicaments, with boycott enforcers' directing customers to recently established traders.

Further comment:

The boycotts have been half-heartedly condemned by the SDLP, and John Hume's assertion that there are 'legitimate targets' for this, or indeed any type, of uncivilised behaviour must be challenged.

He should be reminded of the Northern Ireland politician who once said that if people adopted an 'eye for an eye' mentality we will all go blind.