

Note to File

FLAGS AND EMBLEMS: GALLAHER TOBACCO LTD

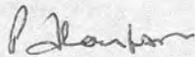
Mr Tom Finlay, General Manager and Mr Colin Cunningham, Public Relations Executive, called on 28 June 1988 to discuss with Mr Minnis and myself the current position at Gallaghers in flags and emblems. Gallahers have instituted, since August 1987, a firm policy of no flags or emblems at any of the UK sites except for the Union flag on a flagpole at each site. In a letter to all employees, Mr Finlay has made it clear that no exception to this rule will be tolerated.

During the meeting Mr Finlay indicated that while there was some limited opposition to the new policy overall there had been no overt opposition and the trade unions were firmly behind management on the issue. He fully expected to find some flags or emblems on display on 1 July 1988 but made it clear that these would be removed by management.

Neither he nor Mr Cunningham could throw any further light on possible threats of action by protestant extremist groups and it was agreed that any new information would be passed on to the company. The company had been expecting some representation from Rev Ian Paisley, who, as MP for the area, had been involved in the discussion last year, but as yet no approach had been made. It was not clear whether this meant that no approach would be made or that something was being planned for the beginning of July.

Overall the company appeared to be confident that it had finally addressed the issue in a sensible way and there seemed to be no doubting their resolve to adhere to the new policy. It was clear that the development of this policy was due in no small part to pressure from the United States parent company who have been the subject of shareholder resolution by the MacBride lobby.

Subsequent to this meeting, Mr Cunningham confirmed on 3 July 1988 that there had been no breaches at the new company policy and that the situation at the factory was entirely peaceful.



PP S W JOHNSTON

5 July 1988

cc Secretary  
Mr Hopkins  
Mr Carvill  
Mr Minnis  
Miss Brown  
Mr Elvin (IDB)

copy to: *M. Tolson*  
*M. Tolson*

1041-104

CONFIDENTIAL

B/6/10/JS

cc. PS/SOS B&L - B  
PS/Mr Viggers B&L - B  
Sir K Bloomfield  
Mr Fell  
Mr Stephens - B  
Mr Knight

Mr Minnis (DED)

FLAGS & EMBLEMS: **GALLAHER LTD**

Thank you for sending me a copy of your minute of 24 June to PS/Mr Viggers and PS/Secretary of State.

This is just to record that Mr Finlay, together with Mr Cunningham, Secretary to the NI Board of Gallahers, called into see me yesterday morning, I assume having previously seen you. The meeting was a follow up to a lunch I had had with the Board of Gallahers, at which Mr Finlay had not been able to attend, and in the course of which the Flags & Emblems problem came up. Mr Finlay gave me the impression that the Company did indeed intend to deal firmly with the problem should it arise though he was careful to say that however thorough their preliminary precautions (and they do seem to be that) there could be no guarantee that flags were not somehow smuggled into the firm. He also said that the testing time will be tomorrow and on Friday.

Finally, Mr Finlay expressed himself well content with the arrangements that you have made to act as a central focus for advice and information. Specifically, he agreed that this was very much better than the firms trying to talk to each other though he was and will remain naturally very curious to know how the other firms who may be affected are getting on and what they are doing to deal with any problems that will arise. You obviously have that well in hand.

*John Blelloch*  
PP JOHN BLELLOCH  
29 June 1988

CONFIDENTIAL

CONFIDENTIAL

already on - bring j fee  
PA → yellow fee  
American Bands

**BACKGROUND NOTE**

**GALLAHER LIMITED - FLAGS AND EMBLEMS**

In August 1987 Gallaher Limited agreed with its employees a UK-wide policy that in future no flags would fly on site other than the Union flag which would be flown throughout the year on the main flagpole.

There are indications that there is a possibility that the Lisnafillan plant is to be targeted [along with two other companies] by an extreme Protestant group with a view to causing trouble.

The company has made clear its firm intention of standing by its agreement and:

- (i) has sent each of its employees a letter drawing attention to the general policy on the flying of flags and the consequences of failure to comply; and
- (ii) with strike action in support of disciplined employees a likely consequence, has given notice of the suspension of the "guaranteed week", ie the provision for continued payment of wages during an interruption of operations at the plant.

Bring j for White Paper Debate  
20/6/88

MCB108PT88/MMF

CONFIDENTIAL

CONFIDENTIAL

Miss Thompson  
Gallaher file  
American  
Brands

cc PS/PUS (B&L)  
PS/Sir K Bloomfield  
Mr Fell  
Mr Stephens  
Mr Hopkins  
Mr Gowdy O/R  
Mr Carvill  
Mr Wood  
Mr Hewitt  
Mr G McConnell - ESL  
Mr Warnock  
Mr Thompson  
Mr Bell  
MC

TO: 1. PS/Mr Viggers (B&L)  
2. Secretary of State (B&L)

FROM: R J Minnis  
[Department of Economic Development]

FLAGS AND EMBLEMS: GALLAHER LTD

1. In his letter of 14 June to the Secretary of State Mr Cameron, Chairman and Chief Executive of Gallaher Ltd, refers to:
  - (i) the policy agreed in August last with the Company's employees which specified that in future no flags would fly on site other than the Union flag which would be flown throughout the year on the main flagpole; and
  - (ii) a threat from an unidentified extreme Protestant group to the effect that the Lisnafillan plant is to be targetted, along with 2 other companies (understood to be Shorts and Mayfair Manufacturing of Portadown), on the flags and emblems front.
2. Mr Cameron has given an assurance that the Company will adhere to the agreed policy, which means in effect that any flags that are put up will be removed and that such disciplinary action as may be appropriate will be taken.
3. DED is now directly in touch with the Company and has further established that:-
  - (a) each employee has been sent a letter drawing attention to the general policy on the flying of flags and the consequences of failure to comply; and

CONFIDENTIAL

- (b) while reliable authentication has not been possible the Company is taking the threat seriously, and - with strike action in support of disciplined employees a likely consequence - has given notice of the suspension of the "guaranteed week", ie the provision for continued payment of wages during an interruption of operations at the plant.
4. As the Secretary of State will recall, Gallahers at this time last year relented under pressure from the workforce and lifted the total prohibition on flags and emblems then newly introduced. Agreement was given to the display of a "limited" number of Union flags (but not Ulster flags). This apparent capitulation provoked a number of complaints to the Fair Employment Agency (and critical comment from MacBride supporters in the US) which subsequently decided to start a formal investigation of the Company's employment policies and practices. The Company has co-operated fully in this investigation, the report on which, in view of the sensitivities, is not to be made public until after the "marching season".
5. It will clearly be important, in view of the last year's experience, for close contact to be maintained with the Company throughout the next few weeks. It has therefore been agreed with Mr Tom Finlay (General Manager, Northern Ireland) that DED should be the single channel of communication for information on developments, exchange of views, advice etc. [Similar arrangements are being made with Shorts and Mayfair Manufacturing.]
6. A draft reply from the Secretary of State to Mr Cameron is attached.

R. J. Minnis

R J MINNIS  
24 June 1988

DRAFT REPLY FOR SECRETARY OF STATE'S SIGNATURE TO:

S G Cameron Esq  
Chairman and Chief Executive  
Gallaher Ltd  
Members Hill  
Brooklands Road  
WEYBRIDGE  
Surrey  
KT13 0QU

June 1988

Thank you for your letter of 14 June regarding the threat that now arises of further difficulty at your Lisnafillan plant over flags and emblems.

I greatly appreciate the advance warning and I am fully reassured by your outline of the response that the Company will make to any unacceptable action on the part of employees.

Close contact between the Company and Government is clearly essential over the coming days. I am therefore glad to know that contacts are now firmly established between your local management and officials of the Department of Economic Development.

Kind regards.

T KING