

Secretary

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cc Mr Warnock o/r Mr Thomson

SHORTS - FLAGS AND BUNTING

- 1. I have obtained updated information on the current flags and bunting incident at Shorts.
- 2. I am attaching a draft submission from you to PS/Mr Viggers on this matter.

C. MR WILSON MR NESBITT

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PS/Mr Viggers (L&B)

cc FS/SOS (L&B) PS/PUS (L&B) PS/Sir K Bloomfield Mr Stephens Mr Chesterton Mr Gibson Mr Nesbitt

Mr Thomson

SHORTS - FLAGS

- We have been advised by the company that approximately 200 workers walkedout from Shorts' main factory early this morning and blocked the Harbour Road preventing access to the main building. At 11.45 am, approximately 90% of Shorts' Queen's Island workforce left work and went home.
- Our most recent information indicates that the Castlereagh factory (missiles) and the Shorlac complex (Tucano) are working normally.
- Negotiations to "solve" the dispute are not planned at this stage as the company is only prepared to negotiate with union representatives.
- 4. The company is now issuing a letter (transcript attached at Annex A) to all employees which threatens to shut down those areas of the factory affected by the display of flags and bunting.
- 5. Mr Gibson has spoken, at lunch time, to the Minister and Secretary of State about the current flags and bunting incident.
- 6. I will keep the Minister informed of developments.

DAVID FELL

TRANSCRIPT OF LETTER TO ALL SHORTS EMPLOYEES: 1 JULY 1987

In September last the management undertook to fly the Union Flag over the main factory every day throughout the year in return for the undertaking that flags and bunting would not be displayed within the factory. The company has adhered strictly to its undertaking but regrettably some of the workforce has not and a new rash of flags and bunting has appeared in a number of areas in clear contravention of company rules; these flags were remove i overnight by management.

Apart from the fact that we cannot run an aerospace company efficiently if parts of the work place are bedecked with flags and bunting, We have an obligation to provide an atmosphere free from intimidation. If we cannot guarantee this situation we will have no alternative but to shut down the areas affected. I sincerely hope that common sense will prevail and that you will all assist in demonstrating to our customers that we run a tight ship in which sectarianism has no place. Only by so doing shall we be able to ensure that our jobs are not put at risk.