CONFIDENTIAL

FROM: TOM CLARKE
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DESK IMMEDIATE

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

Mr Canavan

BRIEFING REQUEST FOR MEETING WITH BUSINESSMEN ON ECONOMIC BOYCOTTING

PS/Michael Ancram's note of 18 September requested that SPOB provide briefing to you for the Minister's forthcoming meeting with business representatives on the discrete subject of SF/PIRA's orchestration of the boycott campaign. At the outset it is important to point out that while there is plenty of evidence in relation to the fact that a boycott is ongoing, it is much more difficult to locate concrete evidence that SF/PIRA are playing a co-ordinated role. Certainly the suspicion on the Unionist side of the community is that it is an orchestrated campaign. In the Belfast Telegraph of 19 September, Jeffrey Donaldson (UUP and senior Orangeman) stated:

> "I have no doubt that this campaign is being orchestrated by sinister elements including Sinn Fein and that the over-riding objective is to put pressure on local Protestant communities in areas where they are in the minority."

2. Sinn Fein's public position is that a boycott is justified particularly against those who took part in the events surrounding Drumcree, but should not be applied indiscriminately against Protestants. An article in the Irish Times of 9 September read:

> "Mr Gerry Adams said yesterday Catholics were justified in boycotting Protestant business people who participated in Drumcree or appeared at Orange blockades during the protest ..... "It is very legitimate peaceful and democratic tactic" he added. Sinn Fein however was opposed to any boycott motivated by sectarianism."

3. Further, the Sunday Times of 15 September carried the following:

> "Sinn Fein has persistently denied it is behind the campaign but says it will intensify."

together with hard-hitting but user-friendly quoted from Francis Molloy and Barry McElduff from Sinn Fein.

CONTINUING CAMPAIGN

4. Our latest information is that the boycott remains strongest in Pomeroy (all four Protestant owned businesses are suffering) and Armagh. It also continues in Enniskillen, Rosslea, Newtownbutler and Lisnaskea, though there are signs that it is weakening. Interestingly the boycott appears to have petered out in Bellaghy, though appears to have replaced with a more sinister form of direct intimidation of Protestants, whilst the well documented case in Portglenone of the baby shop owner, Gordon Laverty, seems to be an isolated incident.

EVIDENCE OF ORCHESTRATION.

5. Intelligence reporting indicates there is orchestration behind the boycott campaign. The following information was gathered from a variety of sources, but because of its sensitive nature it should not be directly used or referred to by the Minister in his meeting with business representatives. It is believed the campaign is organised at local levels by Sinn Fein and enforced by PIRA. Unusually, however, for the PIRA/SF axis, the boycott is not thought to be a "top down" orchestrated activity but is rather a "bottom up" campaign stirred up by local activists. This theory would be supported by the patchy nature of the boycott, strong and solid in some areas (Pomeroy, Armagh), weakening in others (Castlederg, Fermanagh). The security forces also believe that the campaign is being underscored by low level intimidation such as phone calls to those who may have been seen shopping in Protestant businesses or minor damage to property, i.e. scratching of cars, or the well publicised case in Pomeroy of a Nationalist pensioner's oil tank being damaged beyond repair because he purchased his domestic heating oil from the local Protestant retailer. The RUC believe that Nationalists are not inclined to report this type of intimidation to them for fear of further action being taken against them. To date punishment beatings have not been used to reinforce the boycott; presumably it is felt that such a tactic might not have sufficient support within the wider Nationalist community and could provide evidence or at least increase suspicion, that SF/PIRA were actively involved in its organisation.

6. Politically, it is reported, that Sinn Fein feel they are benefiting from the boycott campaign. Many Nationalists remain angry about Drumcree and see the boycott of businesses owned by those readily identifiable with the Orange Order as a legitimate source of this anger and therefore identify with Sinn Fein's public stand. Furthermore, the fact that the boycott is deepening the polarisation in the two communities is helpful to Sinn Fein, especially as it puts pressure on the SDLP to make their position on the matter clear, which in turn, presents them with something of a

dilemma. The latter have adopted a low key response to the boycott, no doubt hoping that it is a temporary phenomenon, but the longer it continues, the more difficult it becomes to justify that position.

7. If there are any specific questions in relation to the information provided in this briefing, we will endeavour to supply the answer.

Signed

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