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SECRET

The recent Loyalist fire-bombs

I spoke last week to a long-standing media contact who is knowledgeable about Loyalist activities.

He made the following points of interest:

- He was extremely sceptical about the UFF's (or UDA's) claim that fifty fire-bombs had been planted in the South.
- The UDA's choice of targets, he suggested, would have been quite random. The Valley Inn in Dunleer, for example, would have been chosen simply because it was on the main Belfast/Dublin road. My contact recalled that, during an earlier spate of Loyalist fire-bombs, a number were planted in Monaghan. The explanation for this, he subsequently discovered, was that the UDA men involved had "chickened out" and had ended their visit to the Republic earlier than planned. Forced to dispose of their remaining fire-bombs in a hurry before recrossing the border, they had deposited them, without any strategic planning, in the last town they reached before the border.
- While the incendiary devices on this occasion seemed a little more sophisticated than those used in the past, what is more significant is the evidence that the UDA still has no access to explosives. For some reason, they have never managed to obtain the formula used by the IRA for home-made explosives. Due to effective Special Branch activity in England and Scotland, furthermore, they have been unable to obtain commercial explosives via

sympathisers working in the English and Scottish quarries.

- Once every year or eighteen months, my contact observed, the UDA manages to "summon the courage" to plant fire-bombs in the South. He is firmly of the view that no repetition of the recent operation will be attempted for at least another year.
- He believes that the recent operation may have been ordered by the UDA's Inner Council as part of an effort to rehabilitate the organisation in Loyalist eyes following persistent allegations that senior UDA members have been engaged in drug dealing. The Inner Council is trying to dismiss these allegations as a smear manufactured by the RUC. It claims to have carried out an internal investigation and to have established that only a tiny minority of UDA members were involved in drug traffic.
- According to my contact, however, the allegations are well-founded. He is aware that the UDA Commanders for North and East Belfast respectively, Joe English and Frankie Rainey, are heavily involved in drug dealing. It is also widely accepted that Tommy Lyttle, recently imprisoned on terrorist charges, reaped substantial personal profit from drug dealing. (His stock has fallen so low within the UDA that the UDA prisoners in the Maze refused to have anything to do with him; he has now been transferred to Maghaberry).
- On a more general note, my contact has heard that UDA members who carry out sectarian assassinations nowadays have to receive payment for this. This suggests not only

that the traditional motivation behind such killings is flagging but also that the UDA will require a steady flow of finance (from drug traffic, racketeering, etc.) if such activities are to continue.

My contact does not know the full membership of the current Inner Council but he believes that there is no longer a single high-profile member "calling the shots" (as in the past with Andy Tyrie or John McMichael).

There is a somewhat confused collective leadership.

David Donoghue

Anglo-Irish Division 7 August 1991 cc A/Sec O hUiginn Counsellors A.I. Secretariat Mr. P Hickey, D/Justice

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