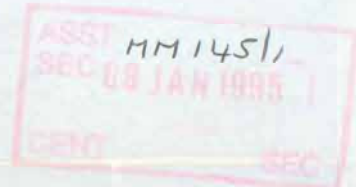


C O N F I D E N T I A L

FROM: PETER SMYTH  
POLITICAL AFFAIRS DIVISION  
6 January 1995



cc PS/Secretary of State (B&L)	- B
PS/Michael Ancram (DENI, B&L)	- B
PS/Sir John Wheeler (B&L)	- B
PS/PUS (B&L)	- B
PS/Mr Fell	- B
Mr Legge	- B
Mr Thomas	- B
Mr Bell	- B
Mr Williams	- B
Mr Brooke	- B
Mr Daniell	- B
Mr Leach	- B
Mr Shannon	- B
Mr Steele	- B
Mr Watkins	- B
Mr Wood (B&L)	- B
Mr Maccabe	- B
Mr Brooker	- B
Mrs Brown	- B
Mr Dodds	- B
Mr Perry	- B
Mr Stephens	- B
Director, TFU	- B
Mr Beeton	- B
Mr Lindsay	- B
Mr P Lever, Cabinet Office	- B
HMA, Dublin	- B
Mr Lamont, RID	- B
Miss Collins, Cabinet Office	- B

*as the Mr Maccabe*



NOTE FOR THE RECORD

LOYALIST EXPLORATORY DIALOGUE: SECOND MEETING, FRIDAY  
23 DECEMBER 1994, 10.30 AM, PARLIAMENT BUILDINGS

The meeting began at 10.30 am, and lasted, with a fifteen minute recess, until 1.20 pm. The Government side was represented by Messrs Leach, Steele, Maccabe, Stephens, Mrs Brown and myself. As at the first meeting, the PUP fielded Messrs Hutchinson (delegation leader), Ervine, Smith, Robb and Mahood; while the UDP representatives were McMichael (delegation leader), English, White, Kirkham and Adams.

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## Summary

2. After some initial fencing, both party delegations condemned the recent murder of a Roman Catholic student. Both read into the record their response to the Government's opening statement, tabled at the previous meeting. Comments by Albert Reynolds on the Joint Framework Document stated to be having a seriously de-stabilising effect in Loyalist areas, and the Government side took pains to put across detailed reassurance. The size of the UDP and PUP electoral mandate, and its implications for participation in inclusive Talks, remains a concern. Consideration of Loyalist prisoners' issues facilitated by useful paper from the UDP, but substantive discussion deferred to a separate meeting to be held at a later date. On the decommissioning of arms, both delegations warned that Government should not expect unilateral action from the Loyalist side, but helpfully agreed that this issue, too, should form the basis of a dedicated meeting. A work plan covering the issues to be addressed at the next five LXD meetings was drawn up. On their request for separate meetings, the two delegations agreed, without prejudice, to attend the next meeting on a joint basis. A date for the next meeting was set in advance of the next XD meeting with Sinn Fein. Overall, the Government side was left with an impression that, if some flexibility could be shown towards their concerns, future meetings could provide opportunities for significant progress with the Loyalists.

## Introductory exchanges

3. Mr Leach welcomed the delegations. He saw the forthcoming meeting as being still partly introductory, but hoped that it would also have the capacity for substantive exchanges to take place, and that matters such as a future work plan could be taken forward. He recognised that the issue of their mandate was crucial to the delegations. The development of a meaningful role for the Loyalist groups was important, and it was recognised that electoral support was not the only factor in the equation. The PUP and UDP had unique

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access to, and insight into the thinking of, the Loyalist paramilitaries, and this conferred a particular status. But that also made it necessary that the exploratory dialogue should succeed if the two parties were to go forward into the wider process.

4. Mr Leach then introduced the issue of the Lynas murder, which had taken place very recently, and commented that it bore at least some of the hallmarks of a sectarian killing. In the circumstances it was inevitable that some people would be minded to view it as a breach of the Loyalist ceasefire, with the implications that might have for the exploratory dialogue. The Government side would appreciate the views of the two parties. (Note: this had been flagged up with both delegations in advance, and both had been advised that they might be asked to take a position.) Mr Hutchinson was quick to deny that the killing had any connection with Loyalists, and did not wish the PUP to be regarded as being in any sense responsible for the atrocity. He felt very strongly that the murder had nothing to do with the maintenance of the Loyalist ceasefire. Mr McMichael was also quick to say on behalf of the UDP that he found the killing to be abhorrent. So far as he was aware no Loyalist organisation or no individual with links to a Loyalist organisation was responsible. He, too, was clear that it was nothing to do with the peace process. Mr Steele asked the delegations to accept that the circumstances of the murder were such that questions could be raised about its impact on the ceasefire. Mr Mahood then repeated that his delegation had absolutely no knowledge of the murder, and so far as he knew it was a domestic crime. All the delegates indicated vigorous assent when the Government side suggested that they should condemn the crime, and this condemnation was recorded in the Government Press Statement issued after the meeting.

5. Mr Hutchinson then raised the question of the bomb found recently at Enniskillen and the effect of that on dialogue with Sinn Fein, and read into the record the PUP position on this:

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"In the light of HMG's insistence that the continuation and completion of dialogue with Sinn Fein depends upon the continued commitment of the Provisional Republican movement to non-violent action, in both word and deed, is HMG convinced that the planting of a bomb last weekend at Enniskillen was not the work of PIRA and is that confidence based on reliable intelligence information?

If HMG accepts that PIRA was not responsible, can we be assured that the security forces are in a position to deal effectively with any rump faction within either PIRA or the wider Republican movement, and can remedial action be taken in such a manner so as not to give dissident Republicans an opportunity to engage in unjustified accusations of 'security force harassment' or otherwise alienate moderate Nationalists from the 'peace process'?

Does HMG agree that the Provisional Republican movement has a duty and a responsibility to defend its own ceasefire by denouncing unauthorised acts from within and without the movement? What solution has HMG to the problem of breaches of the ceasefire by Republicans?"

6. Mr Steele informed the delegations on a confidential basis that the Government's internal assessment was that the Enniskillen bomb had been made from PIRA materials, but that it was not necessarily PIRA members who were responsible for its planting. The construction of the bomb was not at the level of technical expertise normally associated with PIRA. He assured them that the RUC was following up the incident as a matter of urgency. In overall terms the Government was satisfied that the Enniskillen bomb did not represent a threat to the Provisionals' ceasefire. Mr Ervine then asked for a categorical assurance that HMG was satisfied that the intention behind the PIRA ceasefire remained solid, and this was given by the Government side.

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Agenda

7. The draft agenda circulated by the Government side was agreed as the basis for the meeting.

8. A note prepared by the Government side summarising the discussion which had taken place at the previous meeting was then circulated. Mr Leach said that, while all sides would doubtless take notes for their own use, it would in his view be valuable if there was also a common record representing a shared understanding of what had transpired. He asked the delegations to consider if similar notes would be useful for subsequent meetings. The delegations agreed to read the note and consider the matter further. Mr Smith drew attention to the fact that if this procedure was to be followed in future, the initial note should clearly be marked as a draft. It was agreed that confidentiality applied to the contents of this and subsequent notes.

Responses to opening statements

9. (Both delegations tabled papers giving their responses to the opening statement made by the Government side at the initial meeting. Extracts from these responses were subsequently read into the record at various points in the meeting to establish PUP and UDP positions on particular agenda items.)

10. Mr Kirkham read into the record the UDP response to the Government's opening statement:

"The Government states a priority to 'establish locally accountable democratic institutions carrying widespread support and acceptance within a wider framework of harmonious relations based on consent'. We do not believe that consent exists for that wider framework of relations to encompass an institutionalised relationship with the Government of the Irish Republic. The comments made by Albert Reynolds alleging an acceptance by the Government that joint

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institutions and an all-Ireland body will be included in a settlement, have undermined Loyalist confidence. The Government cannot predetermine the outcome of dialogue. Nor can any structure be imposed. We call for a reaffirmation of the Government's position. The Government must be open and honest about its intentions. The process itself must be transparent.

Neither community should feel excluded from the process. Both communities must play a full and equal role in cementing peace. The Ulster Democratic Party should not be denied its place at the negotiating table. An imbalance would promote instability and undermine confidence in the political process. We have played an important part in bringing about a cessation to violence, and have an important contribution to make in the search for a political settlement.

The Government speaks of the retention of weapons by Loyalists as a barrier to our involvement in normal political life. The UDP is a constitutional political party which rejects violence. We wish to see the gun taken out of politics. We should not be castigated for our efforts to end the violence. The UDP has no responsibility for weapons held in society. We have merely played a part in silencing them. We must create democratic institutions of Government in Northern Ireland which command widespread cross community support. Only when both traditions feel entirely secure can we expect either community to relinquish its means of war.

Unnecessary obstacles should not be placed in the way of dialogue. There must be a realistic approach to these talks. The Government's position is constrictive to the political movement necessary to advance the process."

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11. Mr Hutchinson then read into the record the PUP response to the Government's opening statement:

**"Proposals for Consent**

In its opening statement (15/12/94) HMG stated that it intended to publish its own 'understanding of those local democratic institutions in Northern Ireland which as part of an overall settlement might best secure widespread acceptance, as a basis for public discussion and a guide for further negotiation in the Talks process'. In what way will this document differ in terms of spirit and intent from that of the Joint Framework Document? Do proposals for a British interpretation of the Framework Document mean that differences as to interpretation already exist between HMG and the Irish Government, and is there any suggestion that the proposals to be put to the people of Northern Ireland in a referendum may be open to interpretation by different traditions within Northern Ireland and between the peoples of Northern Ireland and the Irish Republic? If so, what is possible?

**All-Ireland Structures**

Notwithstanding assurances from HMG sources that there is no commitment on its part to establish All-Ireland Structures with executive powers, the ordinary Loyalist people are still concerned at the statement made by the former Irish Prime Minister (Mr Reynolds) that 'agreement has already been made' to set up such structures. What concrete assurances can HMG give that no such agreement has been made, and can any indication be given as to what agreement, tentative or otherwise, has been reached between the two Governments on the issue of cross-border structures?"

12. In response, Mr Leach noted that the Secretary of State had on a number of occasions specifically ruled out the idea of joint authority as the basis for the future government of Northern

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Ireland, which was perhaps the underlying concern in what the ~~series~~ had said. The final content of the Joint Framework Document had not yet been agreed, but when it was finalised it would be published, so transparency about the intentions of HMG and the Irish Government would be guaranteed. In addition to that, if and when a full settlement was reached, it would be for the people of Northern Ireland as a whole to approve it - there was no question of any solution being imposed.

13. Mr Stephens then outlined the background to the Government's thinking on this, beginning with the statement of 26 March 1991 and the genesis of the three-stranded approach. He emphasised that the Joint Framework Document, when finalised, would represent an attempt by the two Governments to set out their shared understanding of what was likely to prove acceptable in Strands 2 and 3, and that this would be used as a guide to further discussion. The Strand 1 document which would be published by HMG at the same time would be used in conjunction with the Joint Framework Document to give everyone concerned a full picture across all three strands. He repeated Mr Leach's assurance that neither of the documents would be imposed. Mr Adams stated that whereas the Prime Minister had described the Joint Framework Document in the same terms as had been set out by Mr Leach and Mr Stephens, Mr Reynolds in his recent interview had claimed that the document would deliver cross-border institutions with executive powers. He would like a straight answer to a simple question. Had there been agreement between the two Governments on cross-border institutions with executive powers? The fact that Mr Reynolds (and subsequently Mr Bruton) had seemed to suggest that this was the case was having a seriously destabilising effect on what the Loyalist political groups were trying to achieve. Mr Stephens gave a categorical assurance that no agreement had been reached along the terms indicated. North-South relations came within the three-stranded analysis and therefore had been under discussion, but the bottom line was that acceptability remained crucial. The Joint Framework Document might well put forward proposals for what might be reached in terms of North-South institutions, but he emphasised again that there was nothing in the

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document which would be imposed. At the end of the day, it was the people of Northern Ireland who would have the final say. He was not familiar with the exact terms of what Mr Bruton had said on the matter, and suspected that since Mr Reynolds was now speaking as a private individual, it was unwise to read too much into his comments.

14. Mr Ervine then raised the point that the Government in 1991 and 1992 had proceeded under the rule that nothing was agreed until everything should be agreed. In that context, would the Joint Framework Document be put to the people of Northern Ireland? Mr Maccabe reassured him that the document would be published, and responses invited. It was impossible at this stage to say exactly what would happen thereafter, but it could be envisaged that the document would be used as the basis for a series of bilateral discussions between the Government and all interested parties. This was a particularly important point for those political parties - like the PUP and the UDP - which had a small electoral mandate. Depending on the progress made in those bilaterals, it was possible to envisage round-table discussions involving all the main political parties further down the road. Mr Ervine commented that the Framework Document would probably represent too much for some Unionists and not enough for some Nationalists. He then focussed on the issue of executive powers, a phrase he felt was capable of many interpretations. A key consideration, he felt, was how would these proposed structures or institutions be staffed and administered? Mr Stephens said that was a matter of detail upon which it would be wrong to pre-empt the Framework Document. He repeated once again the assurances that the process was envisaged as flowing from publication of the JFD and Strand 1 papers through to consultation, through (eventually) to round-table discussions; and gave specific assurance that the matter of joint authority in terms of both Governments administering Northern Ireland was not on anyone's political agenda.

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15. Mr Maccabe said that on the specific point Mr Ervine had raised it was possible to envisage a situation whereby such North-South bodies would be made up of elected representatives, who were accountable to democratic institutions in both jurisdictions. Mr Stephens then quoted from the Secretary of State's speech from the debate on Direct Rule renewal in June 1994 - acceptability was the key test for any North-South body: this indicated that such bodies were likely to operate only in areas of delegated responsibility, with accountability to local democratic institutions, and subject to decisions being taken by agreement in both parts of Ireland. Mr McMichael felt that transparency in such matters was crucial to the Loyalist community. Mistrust feeds on lack of information. He, personally, was surprised to see the views of Mr Reynolds being swept under the carpet on the grounds that the former Taoiseach was now a private citizen. Mr English chimed in that he too was rather surprised at the Government side's lack of knowledge of the Bruton statement.

16. Mr Leach said that it would not be timely for the Government side to make comments on statements by Mr Reynolds at a time when discussions between the two Governments on the Framework Document were still ongoing. He would, however, wish to reassure the Loyalist delegations that HMG would not sign up to any deal which would not have a good chance of success when it was subsequently put to the people of Northern Ireland in a referendum. The actual question or questions to be used in a referendum would be stated in terms which were clear and unequivocal. The Government side fully accepted the need for transparency and the need, in due course, to explain the Framework Document in some detail. In return, it was reasonable to expect that all parties would take the time to read and assess the Framework Document before giving a response to it. Once the Document was available it could be more fully discussed in subsequent meetings, and this could be recorded in the future work plan when we came to that item on the agenda.

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Mandate

17.

Mr Hutchinson read his Party's position into the record:

"We believe that the constant references to the Progressive Unionist Party not having a substantial electoral mandate is unjustified. Electoral mandates can only be achieved through elections, and in the absence of elections it is just not possible for either the PUP or the UDP to seek such a mandate. If HMG wishes us to become more deeply involved in the democratic process, and if we cannot seek a mandate because there is no opportunity to do so, how else can we participate in the political process?

We believe that, notwithstanding our lack of an electoral mandate, we have a significant contribution to make towards the development of peace in Northern Ireland.

We have helped to broker a ceasefire.

We are encouraging the CLMC to maintain and consolidate that ceasefire.

We have encouraged moderate Nationalists to believe that, notwithstanding our past, we are offering a new brand of Unionism which poses no threat to their religious, political or cultural beliefs and aspirations.

We are genuinely seeking to facilitate a transformation of the conflict from violence to non-violence.

We are serving as the conscience of the wider Unionist family.

We are actively engaged in normal constituency work.

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Thus, whether our mandate is significant or not, the Progressive Unionist Party has made, and continues to make, a significant contribution to the political life of working-class areas, and towards the development of genuine democracy in Northern Ireland. Invitations to have input to the Talks process on the future of Northern Ireland should be made on the significance of our contribution to the political process and not the significance of our electoral mandate."

In support of this, Mr Hutchinson wished the Government side to be aware that Mr Molyneaux had only been able to take the helpful position he had adopted in recent months by virtue of the fact that the Loyalist groups were stabilising their communities. If the going got rough Molyneaux was unlikely to be able to stand up to the electoral threat posed by Paisley, and it was possible to envisage that the UUP would cut and run from the political process. The Government therefore had to realise that the Loyalist groups played a part in the political process larger than that which might be suggested by their mandate. Mr McMichael concurred with this analysis.

18. Mr Leach registered the point that it was simply impossible to have every political party at the Talks table. He pointed out, however, that the Talks which we hoped would emerge from the publication of the Framework Document and Strand 1 document differed from the 1992 Talks in two particular respects. First, this time the framework for the Talks would be published and would be publicly available so that everyone could start on the same footing; and second, HMG was committed to finding proactive mechanisms which would allow the views of those not at the Talks table to be made known and for account to be taken of them. If the exploratory dialogue proved to be successful, he felt sure that ways could be found for parties not directly represented at the Talks table to play a meaningful and constructive role. Mr Maccabe said that since bilaterals represented the most likely way forward - as had been the case in the Ancram Round of Talks - so in forthcoming discussions small parties could be included in dialogue on the same basis. At

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present small parties such as Democratic Left and the Workers' Party had occasional access to Ministers and seemed satisfied with that level of representation. It was much too early to look at mechanisms such as the "parallel table" proposals hinted at by Mr Hutchinson, but the keynote to the Government's approach would be flexibility in regard to modalities. Mr Smith asked for a Government view on those parties who either declined to sit at the Talks table, or who, when there, subsequently walked away. Mr Stephens suggested that this was a hypothetical situation which had not yet arisen. The intention of HMG was to involve as many parties as possible in the discussions on the political future of Northern Ireland, with a view to obtaining the widest possible support for any outcome which resulted. Mr Steele emphasised that no party would be given a veto on political progress - the ultimate arbiters of progress would be the people of Northern Ireland.

19. Mr Hutchinson then asked a number of questions about the Government's requirements for an electoral mandate. What size of a mandate would be required? Would it be possible for both the PUP and the UDP to unite their respective votes and have them count as a common mandate? Mr Stephens said that this was a level of detail which would have to be agreed in the discussions which would take place before round-table Talks eventually got underway. A feature of the 1992 Talks had been the fact that parties not actually represented at the Table had been kept fully up to speed with developments.

20. Mr Leach said that the fact that exploratory dialogue with the Loyalist delegations was taking place showed that the size of electoral mandate was not the only consideration. Without labouring the point, the Loyalist parties were in a special position vis-a-vis the paramilitaries, and had a special responsibility to facilitate the process of decommissioning Loyalist arms and advancing the peace process. It was crucial, not only for the parties' own future but also for the wider process, that this exploratory dialogue reached a successful conclusion. Mr McMichael agreed that dialogue had to

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succeed, and asked if the Government had any timetable for the process. Mr Leach said there were no specific timetable requirements, and it was important that progress should be made across a spectrum of issues, but there was no disguising that arms were a central consideration.

21. Mr McMichael then asked whether, if HMG felt that exploratory dialogue with the Loyalists had not been a success, the bilaterals based on the Joint Framework Document would proceed. Mr Leach said that that would be a matter for the judgement of Ministers, if the circumstances should arise. Mr McMichael then stated very clearly that his Party would not wish wider Talks to begin if exploratory dialogue with the Loyalists was still proceeding at that stage.

22. Mr Steele pointed out that there was a relationship between exploratory dialogue and the wider Talks process, in that success in the exploratory dialogue with the Loyalists would put pressure on Sinn Fein in their exploratory dialogue: the overall effect of this would be to help move towards the position where Talks based on the Framework Document could take place. Mr Ervine felt unhappy at too many linkages being established between the Loyalist parties and Sinn Fein. He said there was a perception - and he emphasised that it was only a perception - in the Loyalist community that the PUP was being seduced by HMG, and being used as a counter-weight to Sinn Fein. The Government had to recognise that the Loyalist parties were important in securing the consent of the Loyalist community to the peace process - an agenda which went considerably wider than merely brokering the ceasefire. For his part, Mr Ervine made it clear that the PUP would terminate the relationship if they felt that the perceptions were well-founded, and that the PUP were being used by the Government for no other purpose than propping up the Joint Declaration and the Joint Framework Document. Mr McMichael, too, registered the point that whatever decisions were taken in exploratory dialogue would be taken in their own right, and not because their intention was to increase pressure on Sinn Fein.

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Mr English also wished it to be made clear that the Loyalist parties operated according to their own lights, and were not tied to Mayneaux's apron strings. Mr Leach said that the Government was not in the business of seduction. The discussion had perhaps gone as far as it could for the moment, although there were a number of matters raised in the delegations' responses to the opening statements which might well be followed-up in further meetings - eg the references in the UDP document to "co-determination". This was agreed.

Prisoners

23. Mr Leach began by referring to a case raised at the previous meeting, concerning three Loyalist prisoners who had been refused Christmas leave. As was now known, the prisoners were in fact ineligible for Christmas leave, but it was acknowledged that errors had been made by the Prison Service (eg in initially telling the prisoners that they were eligible) and special leave had been granted in recognition of this. He wanted to put it firmly on the record, however, that the three prisoners wrecking their cells when their leave application had been refused had had an entirely negative effect; and this case should not be regarded in any sense as constituting a precedent for securing favourable consideration in the future. More generally, the Government side recognised the importance of prisoners in the Talks agenda for the Loyalist parties. The UDP response to the Government's opening statement (which had just been submitted) contained a detailed section on prisoners and the modalities for advancing their release, and he wondered if it was worthwhile engaging in discussion now, without having given full consideration to that paper, or whether it might be better to defer matters to a later meeting. Mr Steele reinforced the point by saying that, at first glance, the UDP paper was worthy of more careful consideration than could be given to it immediately.

24. Mr White said he appreciated the provision which had been made for the three Loyalist life prisoners, but against that his delegation had to register the acute disappointment which was felt

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in the Loyalist community at the case of five prisoners in a Working out Unit, and the withdrawal of privileges which had followed from their failure to take the designated bus back to prison. This was a complex story, concerned not just with the fact of the bus being late in arriving to pick up the prisoners. There was a feeling that the withdrawal of privileges which had resulted from this misdemeanour was harsher than would have been applied in normal circumstances. He asked was there any possibility of reconsideration being given to the case even at this late stage? Mr Leach said that this case had been carefully considered, but he could not hold out any hope of an outcome which would prove satisfactory to Mr White.

25. Mr White then referred to the general impression of disappointment in the Loyalist community about the NIO's handling of prisons issues. The intransigence being shown here was contrasted very unfavourably with developments in the Republic of Ireland, where there appeared to be a recognition that gestures such as the release of prisoners played a valuable role in helping to underpin the peace process. The Government should be aware that the prisoners in Northern Ireland were extremely influential in the peace process, and a gesture of goodwill involving them would have considerably helped both the UDP and PUP. At this stage Mr Hutchinson suggested a break of fifteen to twenty minutes to allow the delegations to reach a view about whether they wanted to continue discussion of prisons issues at this meeting, or remit it to a further separate meeting.

26. On resuming, both Mr Hutchinson and Mr McMichael agreed that the next meeting of exploratory dialogue should concentrate on prisons issues, with both Loyalist parties presenting position papers. Mr Leach agreed that the meeting should concentrate on prisons, but put down a marker that the Government side reserved the right to raise other issues, for example arms. The Government side would consider whether to put forward a paper on the subject of prisoners.

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27. Mr Hutchinson then read into the record his Party's position on prisoners:

"The Progressive Unionist Party is bitterly disappointed and deeply concerned at the lack of constructive responses by HMG on the issue of prisoners. This negativity is causing widespread frustration and disappointment amongst both prisoners and their families, and we are concerned lest this leads to a wider disaffection throughout the Loyalist community.

We are very much aware of the need to be sensitive to the hurts and feelings of the innocent victims of the conflict, yet we must not lose sight of the fact that the relatives of prisoners are innocent victims, and we believe that a creative and constructive approach to addressing the issue of prisoners would greatly assist those of us who are endeavouring to consolidate the ceasefire and cement the peace process."

28. Mr Hutchinson ended by reiterating his discontent with HMG's hardline position on prisons issues. Mr White concurred. Mr Smith said that while the response to the three Loyalist prisoners and Christmas leave had been helpful and should be acknowledged, it should also be noted that the Government's opening statement had made reference to the necessity for all sides to be positive, courageous and to display imagination in carrying forward the peace process. He had no difficulty with this, but felt it should be applied by HMG to prisons issues. The fact that there were fewer Christmas Home Leave releases this year when the ceasefires were operative than there had been last year when violence was still continuing had had a very negative effect in the community. He felt that HMG had missed a golden opportunity to further the peace process. Mr Leach noted these concerns. Mr McMichael said that the situation was volatile and the UDP needed help from the Government

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to keep its constituency happy. The Government should be under no illusions - the prisons issue would be kept firmly at the top of his constituency's agenda.

Arms

29. Mr Leach said that this was an issue where progress was crucial if exploratory dialogue was to achieve any measure of success. It was important that each side understood what was meant by phrases such as "decommissioning" etc. With that end in view, he proposed to table a brief paper setting out the Government's position as a basis for further discussion. This was accepted, but both Loyalist parties stated they would wish to give fuller consideration to the paper before responding, possibly at a separate meeting.

30. Mr Hutchinson then read the PUP position into the record:

"The Progressive Unionist Party is as committed to the removal of war materials, legal or otherwise, from the political conflict in Northern Ireland as is HMG. However we do not believe that the issue of arms should be linked to either the release of prisoners or to the continuation of dialogue between HMG and the Progressive Unionist Party. Neither prisoners nor the talks process should be held as hostages pending a final resolution of the arms issue.

The PUP is fully committed to being facilitators for conflict transformation in the Province because we genuinely wish to see an end to violence and because we are sincerely committed to the development of genuine democratic politics in the Province. There has not even been a hint of a breach of the ceasefire from within the ranks of those who regard us as their confidants and we are confident that the ceasefire will remain solid within the Loyalist community. At the same time we must voice our concern at HMG's failure to acknowledge the

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magnitude of the task that is ours in brokering and defending the ceasefire and, more particularly, in seeking to politicise those who were formerly committed to the armed conflict.

HMG must acknowledge the fears in Loyalist ranks about possible rumps within the Republican movement. The ongoing targeting of members of both the security forces and the Unionist community by Republicans is a source of genuine concern, and it is unrealistic for any faction to consider unilateral disarmament. We have moved a long way since the publication of the Downing Street Declaration and we believe that we have a long way yet to go before we can even begin to talk about real peace. We must progress slowly. We must not rush too far ahead of those who have laid down the guns and entrusted us with the task of creating and developing conditions whereby the guns can be finally removed from the conflict.

The Progressive Unionist Party wishes to stress that it does not have a military capacity and that, unlike Sinn Fein, we do not see the democratic process as an either/or process and we are not entering into dialogue with any hidden threat of a possible return to violence if our political philosophy is rejected. Irrespective of the final outcome of the peace process the Progressive Unionist Party is wholly committed to democratic politics."

31. Mr Leach said that while there was no imputation that either the PUP and UDP had any direct control over arms, they did have a special position vis-a-vis the Loyalist paramilitaries, and did have a special insight into their thinking. Mr English made reference to that part of the UDP document, already read into the record, which made clear that the UDP was a constitutional political party with no responsibility for the weapons held in the Loyalist community. He referred to the rumours which were current that Republican breakaway groups were being formed, and the threat that they presented. The

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UDP would do everything in its power to encourage an end to violence, but the Government should realise that it was premature to ask for a surrender of Loyalist arms in the circumstances which currently prevailed. Mr McMichael reinforced this message. The possibility of Republican splinter groups emerging made it more likely that the security situation would deteriorate once more. The Enniskillen bomb incident had not in itself been serious, but incidents of that kind could undoubtedly destabilise the peace process. He firmly agreed with the PUP delegation that no Loyalist organisation in these circumstances would be prepared to hand over its weaponry. Mr Hutchinson, too, referred to the fact that INLA men had been seen in Loyalist areas with cameras. It was generally accepted within the Loyalist community that members of that community were being targeted. HMG had a responsibility to take steps to reassure people. Mr Steele said that the fringe organisations must not be allowed to dictate the agenda.

32. Mr Mahood pointed to the Kerr murder as a breach of the ceasefire, and the Enniskillen bomb as a partial breach of the ceasefire on the Republican side. There was nothing comparable to show on the Loyalist side and he felt strongly that credit needed to be given for that fact. He had the strong impression that the Government was anxious to take the IRA by the hand, no matter what the circumstances, and he felt that opportunities should be taken to send similar messages of reassurance to the Loyalists. He, too, was aware of the fact that PIRA targeting was still taking place. He alleged that in South Armagh RUC men have recently been told to move house because they had been identified as targets. In these circumstances, it was ridiculous for HMG to keep requesting the Loyalist side to give in their arms. He also felt there was a stark contrast between the degree of protection offered by the Government to Sinn Fein and that offered to Loyalists, particularly those like Ervine, McMichael, Hutchinson and English who all had a high public profile. It was ironic that the enemies of the state should be given more consideration than the friends of the state. Mr Steele pointed out that the NIO had in fact been taken to court on this issue and was not allowed to discriminate in the application

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of its protection policies. Mr Leach paid a personal tribute to the courage of the Loyalist leaders, but observed that the objective of the political process was to create a situation where guns could be permanently removed from the community. Mr Mahood reiterated his belief that a high profile by the Loyalist leaders required some degree of recognition and protection by the Government. Mr Steele undertook, without commitment, to look at the application of the Government's protection scheme.

33. With regard to the status of the papers which the parties had tabled, Mr Leach wondered whether the delegations saw them as being confidential. The delegations initially said that this would be the case, but when Mr Steele probed the status of the UDP paper on prisons, it was admitted that the document had already been made available to the press. The delegations then agreed that the confidentiality provisions should apply to the discussion of the papers, but that disclosing the position papers themselves served a useful purpose in keeping their constituencies happy.

#### Work plan

34. The Government side tabled a draft paper which envisaged a series of four meetings dealing with, respectively, prisons issues, economic and social problems in disadvantaged areas, political development and finally policing issues. This contained a rider that the Government side would wish to raise the issue of arms at the first, and probably subsequent, meetings. Introducing it, Mr Leach made clear that this was an outline only and that each of the headings could be expanded to cover any related items that the delegations felt to be appropriate. Mr McMichael suggested that the heading on policing should be expanded to include reference to the criminal justice system, Diplock Courts etc. Mr Leach agreed to this.

35. Mr McMichael asked where the proposed meeting devoted to arms should come in the suggested running order. After some discussion it was agreed that this should come second on the suggested work

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plan. In this connection, Mr Ervine asked the Government side to recognise that, while officials were debriefed by their political masters after these exploratory meetings, it had to be recognised that the Loyalist delegations were accountable too. There was much hard work to be done to ensure that their constituents were fully informed on the issues which were being discussed. It was only this interaction which allowed the PUP and UDP to produce the position papers which would inform discussions in exploratory dialogue. Mr Steele said that it was fully recognised that both sides had constituencies which had to be addressed. Mr Stephens pointed out that the work plan was meant to be a guide to future discussions, but was not set in concrete: the need for some flexibility was recognised as being important to take account of developments as they arose. Mr Ervine promised that the PUP would attempt to find a formula for the decommissioning of arms, and fully realised how important the issue was; but he emphasised that it was going to take time and hard work before the Party could deliver in this area. It would not be helpful if the perception was allowed to grow that progress on prisons issues, for example, would be entirely dependent on satisfactory movement on arms. In response to a query from Mr McMichael, it was confirmed that HMG's response to the UDP comments on arms would not be tabled for the next meeting, but would be deferred instead until the meeting devoted to the discussion of arms issues.

**Any other business**

36. Mr Leach flagged up two issues for discussion under this heading. For the first, he was aware that the matter of separate meetings for the two delegations had been tabled at the last meeting, and that HMG had promised a response. The second matter he wished to look at was agreeing a press line which could be issued after the meeting concluded. Mr Hutchinson and Mr Smith made a number of points about the importance of social and economic issues which the delegations would wish to discuss in due course. They were satisfied that the issue was down for discussion on the work

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plan, but argued that officials in Stormont often failed to recognise the existence of poverty in Protestant areas. This was not (probably for tactical reasons) to be a growing problem, and one which was, in its own way, as important as the arms issue in securing the peace.

37. Mr Leach stated that he had reported to Michael Ancram on the request at the previous meeting for the delegations to have separate discussions in future. The Minister had been concerned at the possibility of separate meetings developing at this stage. Further down the line, when everyone was engaged in political dialogue, there could be more room for manoeuvre in this respect; but at present the feeling was that the PUP and UDP had achieved much by their united front, and were seen by most observers to be complementary parties. Indeed, the parties had actually underlined this to the media themselves after the first meeting of exploratory dialogue. A split between them could well be interpreted as evidence of serious doctrinal differences and would undermine many of the benefits which had been made possible by their joint approach. Mr Leach said that he himself had discerned no obstacle in the present arrangements to the parties putting forward separate views when they wished to do so. Nonetheless, he was quite prepared to be flexible with regard to the modalities of holding meetings so as to give both delegations an enhanced opportunity to register their separate positions if and when the necessity arose. But he would ask the delegations to reconsider their position and, if possible, continue exploratory dialogue on a joint basis.

Mr McMichael said that he took on board what Mr Leach had said. He promised that the UDP would consider its position further, and would address the matter at the next meeting. (Note: The PUP delegation made no comment, which is consistent with their not having made an issue out of joint delegations in the first place.)

38. Discussion then took place on the draft Government press statement. It was agreed that this should be expanded both to

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summarise the matters which had been discussed at today's meeting, and also to take account of the matters which had been agreed for the future work plan.

39. Mr Robb asked about the structure of future meetings. For example, in the meeting devoted to prisons issues, would it be possible for specialists from the Prison Service to take part in order to answer questions which might be put to them by the delegations? Mr Steele thought that it might be preferable, given the context of the exploratory discussions, to deal with prisons matters on a strategic rather than an operational basis. But if the delegations felt strongly on the matter he was sure that the Government could arrange to have the necessary expertise available. Amid wry laughter, Mr Hutchinson said that, given what he knew of the background of the Government team - three of whom had operational experience in the Prison Service - he was happy with the existing levels of expertise which would be available. Mr White concurred in this assessment, and asked again if HMG would be prepared to table a paper on prisons. Mr Leach did not rule out the possibility but made no commitment on the matter. He did assure Mr White that the Government team would ensure that it had fully briefed itself on all the relevant matters prior to the meeting taking place. Mr Steele said he was sure the delegations would appreciate that in an evolving situation HMG would not wish to set out prematurely a monolithic position (rather as the Loyalists themselves did not want to be nailed down too soon on the arms issue).

**Next meeting**

40. After some discussion, Mr Leach proposed 12 January as a date for the next meeting. The Loyalists were anxious to ascertain that this was in advance of the next meeting with Sinn Fein, and accepted with alacrity when this was confirmed. It was pointed out to the delegations that Sinn Fein had chosen not to make public the date of

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their meeting, and the Government side felt that that fact might be suspected in any comments made by the Loyalist delegations. There was of course no prohibition on the Loyalists making public the date of their own meeting.

41. At 1.20 pm the meeting broke up with mutual assurances that it had been useful. Informal contact with both delegations later on to discuss amendments to the agreed press release confirmed that they had found it to be a very positive encounter.

[signed PS]

PETER SMYTH  
SH EXT 27087

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