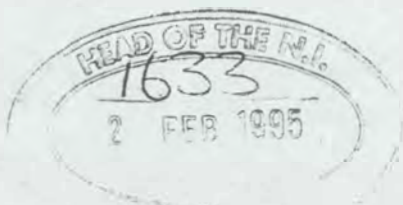
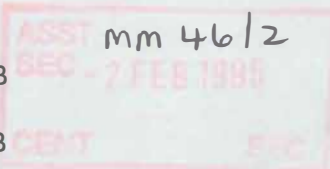


From: W K Lindsay  
 Political Affairs Division  
 31 January 1995

cc: PS/Michael Ancram (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 Brooke - B  
 Mr Daniell - B  
 Mr Leach - B  
 Mr Shannon - B  
 Mr Steele - B  
 Mr Watkins - B  
 Mr Williams - B  
 Mr Wood (B&L) - B  
 Mr Brooker - B  
 Mrs Brown - B  
 Mr Dodds - B  
 Mr Maccabe - B  
 Mr Marsh - B  
 Mr Perry - B  
 Mr Stephens - B  
 Mr Bramley, TPU - B  
 Mr Beeton, SIL - B  
 Ms Checksfield, SIL - B  
 Mr Margetts, SIL - B  
 Mr R Lyne, No 10 - Fax  
 Mr P Lever, Cabinet Office - Fax  
 HMA, Dublin - B  
 HMA, Washington - Fax  
 Mr Lamont, RID - B  
 Mr Cassell, MOD - Fax  
 Mr Warne, HO - Fax



*cc Mrs Margetts*

PS/Secretary of State (B&L) - B

**LOYALIST EXPLORATORY DIALOGUE (LXD): RECORD OF FOURTH MEETING -  
 WEDNESDAY 25 JANUARY 1995, HELD AT PARLIAMENT BUILDINGS**

The fourth meeting of LXD began at 10.50 am and finished at 1.30 pm, with a 20 minute recess called by the parties at 11.45 am. The Government side was represented by Messrs Leach, Steele, Maccabe, Stephens, Mrs Brown and myself. Both the parties fielded the same delegations as before - for the PUP, Messrs Hutchinson, Ervine, Smyth, Robb and Mahood and for the UDP, Messrs McMichael, English, White, Kirkham and Adams.

Summary

2. There was a useful exchange of views and a good opportunity for the Government side to explain some of the thinking behind the decommissioning of arms paper handed over on 23 December. The two parties tabled papers of their own, highlighting the fact that they were committed to creating an environment where arms would be unnecessary, but arguing that this could only happen in a situation of confidence and stability within Northern Ireland. They thought that the ongoing unease about the contents of the JFD, exacerbated by comments from leaders of the larger unionist parties (particularly Mr Molyneaux), and the impending publication of the document would slow progress on the arms issue.

3. On the JFD itself, the parties seemed satisfied and reassured to hear about the protections surrounding it. They also welcomed the offer of an LXD meeting to explain the Framework Document and give them the opportunity to register their views once it was published. They placed great emphasis on the need for trust and confidence in the process, and pointed out that they had not betrayed any confidences, nor taken advantage of opportunities to embarrass the Government, as other parties had done. The atmosphere was business-like and frank, laced with humour but also with a degree of realism and a measure of political maturity.

Minutes of last Meeting

4. These were agreed without amendment.

Matters Arising

5. The parties confirmed that they had received copies of the HMP Maze contract discussed at the last meeting. Mr Leach reported that work to remove the security bollards at Tennent Street RUC Station, an issue raised at the last meeting, would begin shortly. Mr Maccabe set out the position in relation to the qualification of candidates for election, also mentioned at the previous meeting. He said that disqualification for Westminster and European elections

only applied to those convicted and sentenced for more than one year or imprisoned indefinitely, and only while they were actually detained or were unlawfully at large. A life sentence prisoner released on license would not be disqualified. There were some residence and other qualifications in relation to local government. He undertook to write to the two parties setting all of this out.

6. Mr Ervine referred to the discussion about personal protection measures at the last meeting. He said that his party was concerned because members of the public and others had reported sightings of republicans carrying out targetting near party members' homes and offices. Mr Steele said that the security forces knew this type of activity was going on, though not on a large scale; however, there did not appear to be any immediate threat of a breakdown in the ceasefire. Mr Leach pointed out that if anyone felt under threat they could apply to be considered under the terms of the Scheme. On prisons, Mr Ervine asked about the paper which had been promised at the last meeting. Mr Leach said that a further meeting on prisons had been added to the workplan and a paper would be prepared in time for that.

#### Decommissioning of Arms

7. Moving to the main item on the agenda, Mr Leach said that there had been some suggestions in papers produced by the parties and in the press that HMG might be willing to trade prisoners for arms. He wanted to make it clear that this was not the case. The Government would be treating all the issues on their merits and indications to the contrary were potentially unhelpful. It was, however, undeniable that there were linkages between arms, security matters, the prospects for political progress and the other issues which exploratory dialogue was addressing. The Government believed that it was constructive to explore the benefits which might accompany movement on the major issues, such as arms. This was not a question of bartering, but of parallel progress in a number of fields, in recognition that none of the issues existed in a vacuum.

8. Mr Leach went on to say that questions relating to prisoners had been highlighted by both parties. The dialogue was therefore spending some time on these issues. The Government noted the concerns of the parties, for example the statement in the PUP paper of 12 January that "in many ways .... prisoners are a vital key to unlocking some of our more problematic doors". One of the more important doors which needed to be unlocked related to arms. Unlocking that door did not mean that the room behind it had to be immediately emptied, but it did mean three things:-

- a willingness in principle to disarm;
- a common practical understanding of the modalities, that is, what decommissioning would actually entail;
- in order to test the practical arrangements, and to demonstrate good faith, the decommissioning of some arms as a tangible confidence-building measure and the start of a process.

9. Continuing, Mr Leach said that the Government fully acknowledged the scale of the achievement by the two parties in brokering and maintaining the ceasefire, as well as the difficulty of building on it and persuading the paramilitaries to move forward on arms decommissioning, whether unilaterally or not. The Government was trying to make the task easier by pointing to the likely scope for parallel progress in other fields, if these initial steps on arms were taken. This was not a trade-off, but an objective statement about the wider effects of movement on arms. Given the need for mutual reassurance and confidence-building, with every step contingent on progress in other fields, the Government was not expecting an immediate and comprehensive response. Substantial progress on the issue of arms was essential, but this could be achieved through milestones which would be progressively reached as confidence was built up and advances made elsewhere.

10. Mr Hutchinson noted with interest that Mr Leach had referred to some arms being given up initially, not all. One of the main

problems which was being encountered was the conduct of the constitutional political leaders, who over the previous weekend had hyped the situation politically and had heightened tension in local loyalist communities, thereby making the resolution of the arms issue that much more difficult. Both the PUP and UDP were in favour of decommissioning arms for everyone, including the RUC, who should be able to patrol in a situation where firearms were not required to be carried. The constitutional politicians who were calling for arms decommissioning would never be satisfied, since they could always claim that only a small proportion of weapons had been handed in. In his view HMG was allowing its agenda to be set by Mr Molyneaux. The fact was that the guns were now silent, thanks in part to the efforts of the PUP/UDP and some gesture, especially in respect of prisoners, should be made towards them.

11. Mr McMichael agreed and said that movement on arms was clearly linked to political progress and stability. While uncertainty was being fostered by constitutional politicians, the decommissioning of arms was driven further down the road. He thought it was totally wrong that "these people" should be able to increase fears and uncertainties for their own narrow party political interests. Mr Leach, in response to both, said that Ministers, not other parties, would judge whether substantial progress has been made on arms decommissioning. He also commented on the increasing amount of speculation and unhelpful comment which had appeared in the press in relation to the JFD, and welcomed the fact that the PUP and UDP had in contrast made positive press statements suggesting people should wait and see what the document contained. He said that as soon as the JFD was published we would be glad to have a meeting about it with the parties within the exploratory dialogue.

12. Returning to criticism of constitutional politicians, Mr Ervine said that his job, and that of people like him, was to force violence up a cul-de-sac from which it would not return. But they faced a catch 22 situation - unlocking doors was not about giving concessions but about taking decisions for good, sensible reasons. Meanwhile, the constitutional politicians were effectively restraining Government in relation to prisons and were playing extremely dangerous games

within their own parties and with others. The Government needed to be brave and make a gesture to the loyalists - and to PIRA because he expected (and hoped) that there would not be much in the JFD for the latter. "Tell us what needs to be done and we will tell you the price", he said hopefully.

13. Mr Leach said the Government recognised the difficult nature of the process and its various dimensions. There was a natural reluctance to be the first to move - although equally those who moved first might gain considerable credit - but there was at the same time a distinct possibility of parallel progress in a number of fields. Mr Stephens, continuing this theme, accepted that some recent statements had been unhelpful and noted that there was a series of linkages between the political process and progress on decommissioning of arms. The Government was not so blind as to erect arms as a pre-condition, thus endangering the peace. Many groups in Northern Ireland wanted the gun taken out of politics and, referring back to an earlier PUP comment, he said that the PM had said in Belfast that he wanted a return to civilian policing.

14. There was some discussion about whether it would be useful at this point in the meeting to have a short discussion on the JFD or to continue with the subject of arms. Mr English was firmly of the view that the arms issue should be dealt with first. He then mentioned a recent article in the Irish News (21 January) which had the headline 'Prisoners are key to talks on weapons' and said that this was a personal interview by an individual with UDA connections and not sanctioned by the UDA leadership. He then read into the record the UDP paper on illegal arms (misreading UDP as "UDA" in the final paragraph). The paper was not to be made public.

Mr Hutchinson then read into the record the PUP paper, which had been released to the press in order to put pressure on those constitutional politicians who had been making unhelpful statements recently (both papers already circulated).

15. Mr Leach thanked both parties for their constructive contributions and noted that one point was common to both - that progress on decommissioning of arms could be achieved through

dialogue and the building of trust. This was in line with the Government's position. While there might be difficulties, the Government side wanted to do all it could to facilitate progress. Mr Steele commented that there was a certain flavour in the papers that everything else should be settled and then there might or might not be progress on decommissioning of arms. This was not practical reality; the parties had to recognise that the Government was committed to making progress on this. What we were looking for was evidence of intent and a common understanding on timing. It would be good for the people of Northern Ireland and would also put pressure on Sinn Fein to follow suit.

16. Mr McMichael returned to the difficulties for the two parties in making progress with the paramilitaries if there was a lack of stability in society; this was the reason why weapons were needed in the first place. Mr Ervine continued that the JFD was the key issue at this point. If, when the JFD was published, the present nervousness was assuaged, then there could be forward movement soon after that. Unionists feared imposition, but if the proposals in the JFD were reasonable (and the IRA could live with them) then society could move forward towards a form of stability. Mr Stephens said that the shared objective was lasting peace, built on an agreed political settlement and the practical removal of weapons. Once the JFD was published, there would be proposals in the public domain as to what a political settlement might look like. It was therefore necessary to begin to think about a framework within which guns and explosives could be removed at the right time. In this way, the parts of the jigsaw could neatly fit together. Mr Hutchinson responded that arms were in the middle of the jigsaw (and therefore the most difficult piece). Their belief was that there could be movement on this if people's fears were calmed.

17. Mr Ervine said he had a sense of hope and recounted how he had attended an event recently where Alex Attwood (SDLP) had "lambasted" Sinn Fein/IRA saying that "Northern nationalists were going to have to learn how to give allegiance to the Northern state". The unionist perception, on the other hand, was of a persistent slide to a united Ireland. After one of Mr Mahood's infrequent interventions

about loyalist arms existing as a reaction to republican violence and the Government failing in its responsibility to protect Protestants in border areas, Mr Ervine brought the discussion back to a more fruitful level by suggesting that loyalists were prepared to discuss how arms might be decommissioned; but in his view the Government still had not recognised what had to date been achieved and the fact that the ceasefire did not happen by accident. Once the Framework Document was published, the round table discussions should lay any ghosts, but we had to be realistic and realise that people could not move forward until they were comfortable - stability was the key.

18. Mr English took a more forward role at this meeting than at previous ones and stressed that progress hinged on trust. The loyalist parties certainly had the trust of the CLMC but there were many fears and apprehensions within society, often fuelled by (constitutional) party leaders and spokespersons. It was difficult for the parties to make headway with the CLMC while republicans were still targetting. They also had to build trust in exploratory dialogue with the British Government - did the Government side trust him for example? "Not a bit!" - said Mr Steele, though he did recognise the importance of trust in the process, and in that vein said that the Government was prepared to contemplate developments on a range of issues, including prisons. Mr Leach said that if all the difficult issues were left until the end of the process, then trust would never develop and the end would never be reached. At this stage the parties proposed a recess, which lasted from 11.45 am to 12.05 pm.

19. After the recess, Mr Leach opened by underlining that the Government did acknowledge the scale of the achievement of the ceasefire and the parties' task in persuading the CLMC to discuss the arms issue. Once progress occurred in that area, then there could be progress in parallel fields. Mr McMichael was keen to learn of any specific proposals the Government had for decommissioning. Mr Leach then spoke to the Government's paper which had been tabled on 23 December. He outlined three possible options (depositing of arms at a pre-arranged point, direct transfer to the authorities or



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destruction of arms prior to handover), together with possible arrangements for verification and independent supervision. While no final decisions had been taken by Ministers, it was quite likely that an amnesty would be proposed for offences of possession connected with the decommissioning and that there would be no forensic testing of weapons for evidential purposes. He said the Government would welcome the views of the parties, given their strong influence with and reliable line of communication to the CLMC.

20. There followed an interesting and at times lively exchange, with the parties asking a number of questions about the need for legislation, whether convictions might be possible even without forensic evidence, how IRA arms would be decommissioned if, as was presumed, they would not hand them to HMG, and what would happen with other republican groups who had not called a ceasefire. In response, the Government team made the following comments:-

- current advice was that a weapons amnesty would require enabling legislation, as would the suggestion that forensic evidence from weapons handed in would not be used in court;
- the Government would prefer direct transfer of weapons to the authorities or depositing in a secure place for subsequent collection, provided that this could be done safely with no risk of the weapons falling into the wrong hands;
- HMG would liaise closely with the Irish Government on the practicalities of arms decommissioning;
- a detailed scheme would have to be agreed, covering safety considerations and the need to ensure that the paramilitaries did not simply surrender old weapons or ones specially bought in for the purpose;
- if fringe republican groups did not hand in weapons, then the police would go after them vigorously, although their holdings were in practice insignificant;

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- in respect of inventory, the Government had a fair idea of what each side held, and would use that to measure progress and good faith;
- in devising a test for substantial progress, the Government would be looking for a proportionate decommissioning of weapons from both sides;
- if the loyalists took the initiative on arms decommissioning this would put pressure on the IRA to do likewise.

21. Following this constructive exchange, Mr Leach said that, if it became clear that the parties were addressing a wide agenda and had made a start on the decommissioning of arms, then he expected Ministers would wish to consider joining the dialogue themselves before too long. Specifically what was required from the CLMC was a willingness in principle to decommission arms, agreement on modalities and some initial decommissioning to launch the process. Mr Stephens said the Government recognised that the parties needed to demonstrate that there was something in the process for them. If Ministers joined it, this would be a significant development.

22. Mr English said that the parties were certainly prepared to act as conduits to the CLMC. Mr Ervine similarly gave an assurance that they were genuine and wanted to help. They could not offer the prospect of immediate progress, but would go back to the CLMC and set out clearly the state of play. Government should not lose sight of political perceptions and the current instability, which, together with the difficulties inherent in unilateral action, meant that early movement was difficult to envisage. Mr McMichael agreed. He appreciated the frankness of the Government's contributions but said that the political climate made it unlikely that progress could be made at the moment. While they would take on board what the Government side had said, he was concerned that the reaction to the JFD could make progress even more difficult to achieve.

Any Other Business - Joint Framework Document

23. The meeting then turned to the JFD. **Mr Stephens** used the speaking note which had been agreed with Ministers and was circulated in his minute of 25 January. It was also handed to the parties. He referred to the meeting between the Secretary of State and Mr Spring the next day which would seek to reach agreement on the few fundamental issues to be resolved and, if the current rate of progress was maintained, the document was likely to be finalised and published in February. He emphasised the three important protections ie that the document contained proposals and was not a rigid blueprint to be imposed; that it was intended to provide a basis for comprehensive three-stranded political talks; and that the outcome of such talks would be put to the people of Northern Ireland for approval in a referendum.

24. The first stage was publication of the document, followed by consultation - **Mr Stephens** also reiterated that the Government would be ready to explain and clarify the proposals in the document to the UDP/PUP in a meeting of the dialogue and to hear their views on it. At the same time the Government would publish its own proposals on new devolved institutions for Northern Ireland so as to provide a full picture of a possible overall settlement. He hoped that the documents would be considered carefully by all the parties.

25. Referring the delegations to the Secretary of State's speech to Comber Orange Lodge in September, particularly in relation to North/South bodies, **Mr Stephens** underlined the fact that acceptability remained the key test. Provided there was widespread agreement in Northern Ireland, there was no reason why a body constructed in that way should not assume a variety of functions, including executive functions. That did not confer joint authority on the Dublin Government over Northern Ireland any more than Stormont conferred joint authority when it set up the Foyle Fisheries Commission in 1952. He concluded by saying that the Government's position remained unchanged. The question for the political parties in Northern Ireland to consider was whether, without endorsing the document or its detail, they could agree that

it formed a reasonable basis for further discussions and negotiations. He said we would welcome the parties' views on how to reassure people in Northern Ireland and on how to manage the situation after publication.

26. Mr English expressed appreciation for the way Mr Stephens had presented the position. Mr Adams, also for the UDP, asked what would happen if there was a failure to reach agreement in negotiations, or indeed, what would constitute agreement. Mr Stephens explained that we would be actively seeking agreement, though at some stage there might come a point at which it appeared there was as wide agreement as there was going to be and it was then right to put the outcome for approval in a referendum. The Government was under no illusions about the complexity of the task, nor was imposition of a settlement envisaged. Asked further by Mr Adams about what percentage would constitute widespread agreement and by Mr McMichael what would happen if the DUP and Sinn Fein could not endorse the outcome of the talks, Mr Stephens said that there was no specific answer to the first question - the outcome had to be acceptable on a widespread basis across both communities; it would probably only be apparent when we reached that point. No party would be able to veto the process, particularly if widespread agreement was reached.

27. Mr Robb of the PUP then raised a point about joint authority, where the Comber speech had spoken of a body being "accountable to democratic institutions in Belfast and Dublin". Mr Stephens explained that one possible model was for the body to consist of elected representatives from the Assembly and from the Dail, drawing their authority from those institutions respectively and being accountable to them. This would not be a body dealing with Northern Ireland exclusively but democratically-elected representatives discussing matters of common interest and concern to see if they could reach agreement. Mrs Brown backed this up by referring to the Foyle Fisheries Commission. Mr Robb indicated that he had his suspicions about that body as well. Mr Smith picked up another point in the Comber speech about there being no return to a regime supported by only one side of the community and countered that the loyalist

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working class had been excluded from power in Northern Ireland just as much as nationalists. The PUP and UDP had to have a place within the round table talks if they were to be a success.

28. Some concern was expressed by Mr Ervine that, while the proposals in the JFD would be for negotiation between the parties, any default mechanism could be imposed by the two Governments. He recognised the SDLP fear that, given an Assembly in Northern Ireland, unionists might refuse to get involved in cross-border institutions. SDLP support was necessary for any overall settlement to work, yet he saw the "Hume commissioners" as being a very real threat. Mr Stephens said that nothing had been pre-agreed between the Governments for imposition. There were fears on both sides of the community as to what might happen if new institutions failed to function as expected and it was therefore necessary to think about possible default mechanisms. Like everything else, they would be for discussion in comprehensive political negotiations and ultimately for approval by the people of Northern Ireland. Mr Ervine clearly accepted the reasoning behind that and concluded - "tell me how the Provos can accept this" - to which Mr Hutchinson said "that is Hume's problem".

29. As well as the speaking note, the parties also received a copy of the Prime Minister's opening remarks at the meeting with mayors and chief executives at No 10 on 23 January, which also contained reassurances on the JFD. Mr English said that he hoped that, like any new product, the document would get a thorough inspection, followed by a fault-clearing exercise. Mr Stephens said that was exactly what we envisaged - we wanted it to get a fair inspection because we felt it offered a lot to the people of Northern Ireland - hopefully an agreed, secure, stable future.

30. Finally, Mr English asked if we had any information about the £4m robbery in Dublin, since his party wanted to send a begging letter for additional funding!

Press Statement

31. A useful and positive press statement was agreed with the parties.

Date of Next Meeting

32. This was agreed for Monday 6 February 1995.

33. The meeting ended at 1.30 pm.

(Signed WKL)

W K LINDSAY