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POLITICAL AFFAIRS DIVISION
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- cc PS/Michael Ancram (DENI, B&L) - B
- PS/Sir John Wheeler (B&L) - B
- PS/PUS (B&L) - B
- PS/Mr Fell - B
- Mr Thomas - B
- Mr Legge - B
- Mr Bell - B
- Mr Williams - B
- Mr Brooke - B
- Mr Shannon - B
- Mr Steele - B
- Mr Watkins - B
- Mr Daniell - B
- Mr Wood (B&L) - B
- Mr Brooker - B
- Mr Stephens - B
- Mr Currie - B
- Mrs Brown - B
- Mr Beeton - B
- Mr Crow - B
- Dr Smyth - B

L. Collins

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

MEETING WITH LOYALIST REPRESENTATIVES

This morning Peter Smyth and I had our meeting at Quaker House with four representatives of the PUP and UDP. These were David Ervine and Billy Hutchinson of the PUP and Gary McMichael and Joe English of the UDP. English was not supposed to be there but turned up in place of John White. The meeting lasted for 1¾ hours.

2. I began by explaining the purpose of the meeting, in terms of following-up my earlier encounter with McMichael and Hugh Smyth, in fulfilment of Smyth's request to the Prime Minister when they met in Belfast in October. I informed them that letters would be issuing to both McMichael and Smyth in the very near future inviting representatives of both their parties to participate in exploratory dialogue. For purpose of the present meeting, we could note their response to this proposal and the developments which might flow from it, but it must be clearly understood that we would not enter into

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dialogue or negotiation on any of the details. This was accepted with a repetition of Ervine's undertaking by all four that the proceedings would be treated in the strictest confidence. Under these ground rules, the following points were registered:

- the UDP and PUP are two separate parties, and may expect to be treated as such during LX D: they could not rule out the possibility of separate negotiating teams. Not surprisingly, in view of our knowledge of the fragile relationship between elements of the PUP and UDP, the latter's representatives were the main proponents of this idea. We did our best to convince them that a joint delegation could be to everyone's advantage;
- nevertheless, speaking collectively, they felt that HMG owed them something. They and the people they were representing had brokered the Loyalist ceasefire, and had asked for nothing in return. Despite various personal tribulations, they had refrained from criticising HMG at this sensitive time, and it was up to HMG to reciprocate by some show of generosity towards the Loyalist community;
- of particular importance were gestures (no individual gesture needing to be very significant in itself, but a series of "baby steps") which would send signals to the Loyalist prisoners that peace was not a process designed to benefit only the Republicans. Measures such as the conditions under which Loyalists were held in Crumlin Road, the provision of more 'phones in the prisons, a significant extension of the Christmas parole scheme, and a cessation of the practice of charging Loyalists under the emergency legislation were specified. Joe English in particular registered disappointment that such "concessions" were not already forthcoming;

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Hutchinson had more of a social agenda, and looked for assurance on such issues as scrapping the Hurd doctrine, and ensuring that peace dividend monies would be distributed fairly between the two communities;

with regard to the modalities of LXD, they were pleased to be assured that HMG did not intend to be prescriptive, and that personnel, agenda, frequency and duration of meetings etc were all to be decided upon, not imposed. The desirability of having a strong local element on the HMG team - with an intimate knowledge of the issues to be addressed and, even more important, compatibility with the Ulster psyche - was pressed on us with enthusiasm.

3. The representatives were also very anxious for reassurance that HMG should be seen to take the Loyalist groups seriously, and to afford them parity of esteem with Republicans. They accepted the realpolitik of XD beginning in advance of LXD, but did not want to get to a position where the Loyalist dialogue was forced always to lag behind whatever was taking place in the discussions with Sinn Fein. We informed them (after Dr Smyth had taken a 'phone call from PS/SofS) that a press statement was imminent which would probably announce an early date for the commencement of XD. They seemed content to accept this, provided the statement made it clear that LXD would follow in a short space of time. We said that we did not have the details of the announcement, but the principle of LXD commencing in the near future was fully accepted.

4. The overall mood of the meeting was relaxed and constructive. Ervine did most of the talking and McMichael the least. Whether this is the natural ordering of things, or whether the presence of English inhibited McMichael (there was a distinct air of English being there in a watchdog role) was not clear. Ervine also emerged as being the most fluent and analytical, although Hutchinson gave indications of an ability to both formulate and give expression to his own credo. English was excitable and

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voluble, but seemed genuinely pleased to have been given the chance of making contact with Government representatives.

5. All of them are keen to engage in substantive discussions, and gave categoric assurances that today's meeting, and subsequent LXD meetings, would take place under a veil of complete confidentiality: they did, however, accept that publication of an opening statements on the first day of LXD might give them a useful opportunity to send a reassuring signal about their objectives to the Loyalist community.

[signed CGM]

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