MEETING WITH PUP AND UDP: SPEAKING NOTE

## Loyalist ceasefire

Welcome to No 10. This meeting is only possible because of the loyalist ceasefire, and its maintenance now for over 21 months. Know of your efforts to maintain it - these have played a significant part in the peace which Northern Ireland has seen over the past two years.

Loyalist restraint in the face of a return to IRA violence has been much admired. The ceasefire has given loyalists access to political negotiations for the first time, and has enabled your cause to be better understood throughout the world - not least in the US, which now has a more sceptical attitude towards the IRA. Understand the pressures on you, but hope you will continue to do all you can to maintain loyalist ceasefire.

As to the IRA, I cannot predict what they will do. Clearly more attacks, particularly on the mainland, are likely. Equally, many in Sinn Féin realise the political cost of Canary Wharf and Manchester. As far as HMG is concerned, we will take the necessary measures to combat IRA terrorism. Equally, we have not closed the door on Sinn Féin if a genuine and unequivocal ceasefire were restored - although each attack makes it harder to treat a new ceasefire as credible.

#### Talks process

Grateful for your constructive participation. Believe it is important that the loyalist voice is heard in negotiations - although, of course, this is only possible while there is a ceasefire.

Share your frustration and impatience at lack of substantive progress so far. Important that all parties given time to adopt negotiations as their own. But determined now to make progress and clearly you have an important role to play in this.



Believe that very little remains to be resolved on <u>rules of</u>
<u>procedure and agenda for the opening plenary</u>. Hope it will be
possible to adopt these - possibly without DUP support if necessary
- <u>this week</u>. Then want to make rapid progress on the rest of the
opening plenary agenda, so that discussions in the three strands can
start after the summer break.

# Decommissioning

We shall approach this on the basis of the Mitchell report. What we want from each party is a commitment to work constructively to secure implementation of all aspects of the Mitchell report. That includes the concept of <u>mutual</u> decommissioning. Know the difficulties for you, but the issue must be addressed.

### Intimidation, punishment beatings etc

These are wrong and undermine the loyalist cause. The IRA may well be looking to provoke loyalist violence as an excuse for resuming their own attacks in Northern Ireland. Don't give them the excuse.

Concerned about the <u>rise in tension between the two communities</u> over the past few weeks. Confrontation over marches, intimidation of Catholics out of homes, has played into the IRA's hands. Know of your efforts to maintain calm - what more do you think the Government should be doing?

### Prisoners

Listened to what you have to say. Recognised the contribution prisoners made in bringing about the loyalist ceasefire. Equally, any move on prisoners raises strong emotions. Nevertheless, made a number of improvements since the ceasefire - improved home leave, release at 50% of sentence, regime improvements.

<u>Prepared to look at further proposals</u> - have not closed the door on further changes. I know Sir Patrick Mayhew has said he values the serious, responsible and frank approach of both your parites. Also know he's asked you to set out your proposals in the prisons and other areas - these will be fully and promptly considered.

[More detailed prisons briefing attached.]