

CONFIDENTIAL

DRAFT LETTER FOR SIGNATURE BY PS/SECRETARY OF STATE

John Holmes Esq
Private Secretary to the Prime Minister
10 Downing Street
LONDON

LOYALIST PARTIES' MEETING WITH THE PRIME MINISTER, 20 NOVEMBER

The Prime Minister is seeing on Wednesday at 2.45 a delegation from the two Loyalist parties in the Northern Ireland talks, the Progressive Unionist Party and the Ulster Democratic Party, who have links respectively to the Ulster Volunteer Force and the Ulster Defence Association. The delegation is composed of David Ervine and William "Plum" Smith from the PUP; and Gary McMichael and John White from the UDP. All were at the Prime Minister's first meeting with loyalists on 22 July, except "Plum" Smith: the presence of Mr White, with his double murder conviction, excited some comment on that occasion, as you will recall. I attach personality notes. [Sir Patrick Mayhew/Michael Ancram] will also be present.

The loyalist parties remain essentially constructive participants in the talks. They are anxious for them to get over the decommissioning hurdle, and into substance. They are scathing about the unwillingness of the UUP leadership to face up to what they saw as the realities of the decommissioning question, a failure they ascribe to fear of the DUP and Mr McCartney's UK Unionists.

They remain under attack from the DUP, and UKUP. (The UUP acknowledge the importance of keeping them in the Talks). The DUP sought to have them excluded from the Talks in the summer, for "demonstrably dishonouring" the Mitchell principles; there are also suggestions, which worry the loyalists, that they should be obliged to bring about the handing over of some loyalist weaponry in advance of substantive negotiations, by way of a setting in precedent for Sinn Fein. They - understandably - regard such unilateral decommissioning as quite undeliverable. They do not,

- 2 -

CONFIDENTIAL

CPL1/24741

CONFIDENTIAL

indeed, see decommissioning being deliverable at all either on the Republican side, or their side, for the present: greater confidence would need to be built. They have made clear, however, that they are at ease with the concept of mutual decommissioning, Loyalist violence having been essentially reactive; and have said they are willing to be "facilitators", at an appropriate point.

The issues the parties are likely to raise are likely to be similar to those that arose in the course of the Prime Minister's first meeting on 22 July, recorded in your letter of the following day. A key issue is that of prison regimes. As you will see, we have concluded that certain limited developments, which will be welcome to the Loyalists, would be justified, and the Prime Minister can announce these to the delegation.

Our principal objective in agreeing the meeting (and no doubt the parties' in requesting it) is to bolster the Loyalist ceasefire. The ceasefire has remained in force, despite the return of IRA violence to Northern Ireland at Thiepval Barracks; though punishment attacks continue (28 in the last six weeks, including shootings) internal feuding in the UVF has led to a fatal shooting, and there have been hoax bombs in the Republic. There remain strong pressures within both paramilitary groups for a resumption of violence: certainly any significant further IRA terrorism would imperil it gravely, as would collapse or other significant setbacks to the Talks process. The holding of the meeting, only the second the Prime Minister has had, ought itself to strengthen those who seek to maintain the ceasefire; and the announcement of developments on prisons should contribute further. On the other issues the Loyalists propose to raise, they will not expect significant developments; the Prime Minister can, however, reiterate firmly existing policy. The terms in which the press is briefed after the meeting will be important.

I attach personality notes on the delegation, and points to make on the political and security issues the Loyalists are likely to raise; along with a separate note on prisons, including background on the

CONFIDENTIAL

loyalists' own (very ambitious) demands. The Secretary of State has already indicated in broad terms to the parties that some limited movement will be offered on prisoners (and so the meeting might lead off on it). I also attach a draft press line: we shall announce the detail of the changes from here, once the meeting has concluded.

CONFIDENTIAL
CONFIDENTIAL ON LITTON BURNHAM COUNCIL
UDF REPRESENTATIVE AND LITTON REPRESENTATIVE

Background

In his mid-20's, Mr McMichael is a financial consultant. Educated locally at Wallace High School, Lisburn. Involved in community politics from the age of 17, he co-founded the Lower Lisburn Community Group, which established a Community House in Millhall, Lisburn in 1987. His father, John McMichael, a UDA Commander and author of 'Common Sense' - a document designed to encourage a move away from terrorism into democratic politics by the UDA - was murdered by FIRA in 1987. He took up his father's mantle from that time on and in 1988 co-founded the UDP (Ulster Democratic Party), retaining 'Common Sense' as the backbone of the fledgling party's political analysis. His friend Ray Smallwoods, another leading light in the UDP, was also murdered by FIRA in July 1994. Elected to Lisburn Borough Council in 1993, Mr McMichael was the UDP's sole elected representative until several UDP defectors in Newtownabbey joined the party in December 1994.

A member of the Loyalist delegation involved in exploratory dialogue (LSD) with HMU in 1994/95. One of the two UDP delegates (with John White) at the Forum and Negotiations following the election of 10 May.

Personality and Political Views

Closely resembles his father in both looks and manner and fully shares his political viewpoint. A shrewd and reasonably mature politician, given his age, who has clearly set out goals and

- 4 -

CONFIDENTIAL

CPL1/24741