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Minister of State

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Overtale Gill M 6.

23 May 1997

Dear John,

ULSTER DEMOCRATIC PARTY

Your letter of 12 May asked for advice on the request by Gary McMichael, of the Ulster Democratic Party, for a meeting with the Prime Minister.

The UDP is closely associated with the loyalist paramilitary group, the Ulster Defence Association. The UDA is part of the 'Combined Loyalist Military Command', which announced a ceasefire shortly after the IRA's in 1994, which remains formally intact – a surprising state of affairs in many ways, given that loyalist paramilitarism had often been the most vicious and sectarian-motivated. The UDP leadership has exercised a clear influence with the paramilitaries against a return to violence, and been much praised for doing so.

It, together with the Progressive Unionist Party, which is associated with the Ulster Volunteer Force, forms part of the political talks in Northern Ireland. Both parties have on the whole been a constructive force, and

exercised what influence they could for the talks to move on into

substance. The last Prime Minister met them on several occasions, with a view both to advancing the talks, but also to sustaining the loyalist ceasefire.

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Illegal activity by loyalist paramilitaries in Northern Ireland has never ceased entirely. There have always been punishment beatings (as on the Republican side). Since the end of last year, following the resumption of IRA activity in Northern Ireland, there have been a growing number of attacks of a more clearly political or sectarian motivation, several fatal – though some of the attacks involved paramilitaries from groups not associated with the parties, and it is often difficult to determine the degree of official sanction from the top of the groups concerned. The UDP and PUP have insisted that the CLMC ceasefire remains in place.

Both the Secretary of State and Mr Murphy have met the UDP since the change of Government. It appears from those discussions that loyalist paramilitaries, apart from their concerns over the IRA attacks that continued until recently, are now restive over Government contact with Sinn Féin, fearing a slackening of the requirements for a ceasefire entitling Sinn Féin to enter talks. Mr McMichael has publicly warned against the Secretary of State meeting Sinn Féin without an unequivocal IRA ceasefire in place, suggesting the consequence might be the end of the loyalist ceasefire. There were also complaints at the meetings here that loyalist prisoners had had little advantage from the loyalist ceasefire (though this is an old refrain). Loyalists appear to have taken a measure of reaasurance from the references to the Union in the Prime Minister's speech – but not a great deal.

The renewed loyalist violence clearly puts into doubt the loyalist parties' presence in the talks. Much to do with the future of the talks process hangs on this. It has always been made clear that talks are open only to parties that remain committed to democratic and non-violent methods. On

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entering, like other parties, the PUP and UDP formally adhered to the 'Mitchell principles' of democracy and non-violence. The Ground Rules for the talks envisage expulsion of a party if the Governments conclude that it has 'demonstrably dishonoured' its commitment to those principles. There is a mechanism by which one participant can make representations that another should be so expelled. It has already been invoked, unsuccesfully, against the loyalists.

If the talks are to retain credibility, the procedure has to be applied with some care to the loyalist parties. The parties must to some degree be regarded as part of the same organisation as the paramilitary groups with which they are respectively associated, and if those groups have clearly returned to violence – whether or not their ceasefires are formally ended – dealt with accordingly. If the rules are seen to be a dead letter, unionists will conclude that Sinn Féin would be accorded similar indulgence, were it to be admitted and the IRA then returned to violence. Nationalists already with increasing intensity accuse us of double standards, tolerating loyalists in talks despite the violence, while excluding Sinn Féin.

But ejecting the loyalist parties from talks would have profound consequences. It might end the loyalist ceasefire completely; it would almost certainly increase loyalist violence, and risk republican retaliation. It would transform the talks arithmetic, because the decison-making procedures, requiring agreement among parties representing a majoity in

both communities – a 'sufficient consensus' – would thereafter require the assent of the DUP (or UKUP) to any agreement, making progress potentially much harder.

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This is the context of the UDP request for a meeting. My Secretary of State believes the Prime Minister should agree to one. That might itself have a mild calming effect on the paramilitaries; and the Prime Minister would have the opportunity of emphasising the intolerable position that would be created by sustained loyalist violence. But the meeting might be at a date to be arranged in the future – perhaps several weeks – with an implicit message, which we should seek to reinforce, that it depended on good behaviour by the loyalist paramilitaries. There may be some criticism of such a meeting, from among nationalists, and the DUP and UKUP, inveterate opponents of the loyalist parties. But the Irish and the UUP are both on balance inclined, although like us uneasily, toward keeping the loyalists in the process for so long as it remains possible.

I attach a draft reply for your signature.

your surreally, Altheman

R P LEMON Private Secretary to Paul Murphy MP

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