John Holmes From: 14 July 1997 Date:

PRIME MINISTER

MEETING WITH THE LOYALIST PARTIES

The PUP and UDP asked for a meeting some weeks ago. We agreed, since it is important to encourage them to maintain the loyalist ceasefire, and they are in any case very sensible on most issues (a good deal more so than the main Unionist parties).

There are two representatives of each party, with David Ervine (PUP) and Gary McMichael (UDP) no doubt doing most of the talking. It is worth noting that John Whyte of the UDP has served a sentence for a double murder in the past, although you would never guess it from his appearance and manner. I attach quite a good brief from the NIO, together with a check list of points immediately behind.

The main objectives of the meeting from our point of view are to reassure them about your views on the Union and the consent principle; to encourage them to keep the loyalist ceasefire in place but warn them that our patience is not inexhaustible if loyalist terrorism continues; to give an account of our present position on Sinn Fein and decommissioning; and to reassure them that we understand their concerns on prisoners, although there is not much room for flexibility in present circumstances.

You may like to glance particularly at the note in the briefing about prisoners. As

with Sinn Fein, these loom large in their lives and they are bound to dwell on the

issues with you. You can refer any detailed questions to Mo, who will also be

there. JOHN HOLMES

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CHECK LIST

- Grateful for your continuing efforts to prevent Loyalist violence.
 Important in itself and without it, demand for expulsion of the Loyalist parties could at some stage become impossible to resist.
- Grateful also for your efforts on <u>parades</u>. Delighted at Orange Order decision last week. Hope it gives a breathing space for wider peace efforts.
- My approach based firmly on the consent principle.
- Want <u>Sinn Fein</u> in the talks if we can, but will go on without them if there is no ceasefire.
- Want to get on with the talks process. Very keen to get agreement on decommissioning by 23 July.
- Our approach firmly based on Mitchell understand that it must be <u>mutual</u> decommissioning for you.
 - Any advice on persuading the UUP to go along?

