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From the Private Secretary

15 July 1997

Dee Idun,

MEETING WITH THE LOYALIST PARTIES, 15 JULY

The Prime Minister met representatives of the two Loyalist parties for 40 minutes this afternoon. The PUP were represented by Hugh Smyth and David Irvine, and the UDP by Gary McMichael and John Whyte. Dr Mowlam, Jonathan Powell, Alastair Campbell and I were present on our side.

Smyth began by expressing gratitude for the Prime Minister's time. He wanted firstly to be sure that the Prime Minister had meant what he said in his Belfast speech about his attachment to the Union. It had been a more reassuring speech than the Unionist community had ever heard from John Major, particularly that there would be no change in the constitutional position in Northern Ireland without the consent of the majority of the people. Meanwhile, progress in the talks was vital. The position in the Loyalist community was fragile. The marches on 12 July had gone off well, not least because David Irvine and Gary McMichael had done a huge amount behind the scenes to defuse the situation. But it was now more necessary than ever that the settlement train should move on, with or without Sinn Fein.

The Prime Minister confirmed that he had indeed meant every word he said in Belfast, not least about the consent principle. He was delighted if people wanted to stay in the Union, and was not neutral about this, although it was of course open to the nationalists to argue a different case. He felt a great responsibility to do all he could to produce a settlement for Northern Ireland, despite all the difficulties. It was important that the majority of the nationalist community in both Northern Ireland and the Republic had accepted the consent principle. Only Sinn Fein had not. He would still prefer to have Sinn Fein in the talks, but there was no question of holding up the talks while we waited for Sinn Fein. We had been happy to give them genuine clarification, but the bottom line was that they had to give up violence if they wanted to be in the talks. As

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far as a settlement was concerned, the two main elements were clear: a devolved form of government, fair to both communities: and North/South arrangements of some kind. Of course there were differences and difficulties about this, but it should not be beyond the wit of man to overcome them.

McMichael said that the clarification the Government had decided to give Sinn Fein would unfortunately contaminate the discussion in the talks the following day. He could understand the rationale behind what the Government had done but the perception of it created difficulties. It gave Paisley and McCartney extra ammunition to use against the Government and others, and also forced the Loyalists themselves to take up a position about it. It would have been better if the Government had been more open about what it was doing. The debate was unfortunately distracting attention from the crucial timetable on decommissioning.

The Prime Minister said he saw the point. But we had only said there would be no more meetings with Sinn Fein, as indeed there had not been. His strategy was to knock away all the pillars of respectable support for Sinn Fein's intransigence, and give them no excuse for not making the choice they had to make. He would not be strung along by Sinn Fein. But he wanted to be able to prove that he had given them every opportunity to join the talks.

McMichael asked whether the correspondence with Sinn Fein could be published. Dr Mowlam said that she was ready to do this, but did not want to feel obliged to publish every letter as soon as it had been written. She would certainly look at the question of publication at the right moment. McMichael said that Sinn Fein got their version of events out very quickly. The Government should do the same. Even if it did not publish the letters, it should explain what the content had been.

The Prime Minister said that the reply to Sinn Fein had been essentially about our approach to decommissioning, to deal with Sinn Fein's fears that they would be forced into decommissioning at the beginning of the process. We had of course made clear our approach, based on Mitchell, that there should be some decommissioning during the negotiations. To be honest, it was not clear whether Sinn Fein needed clarification on these issues or not, but he did not wish to give them any excuse they could use with the Irish or Americans for feeling badly treated.

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Smyth said that, while the decommissioning discussion had to continue, consent was the real issue. Sinn Fein needed to be faced with this. The Prime Minister said that he absolutely agreed. Consent was the issue. It was also an easy issue to focus on, whereas decommissioning was too complex in many respects for the outside world to follow.

Whyte said that the Government had been right to offer further clarification. Sinn Fein were otherwise very adept at the PR game. However, some real momentum needed to be brought to the talks process. Sinn Fein were clearly trying to provoke the Loyalists at the moment, through the latest series of incidents, and this was not easy to handle. It was particularly difficult if the talks continued to go nowhere. He therefore hoped the Government would stick with the talks and move them on rapidly. Otherwise the Loyalist paramilitaries, who had behaved pretty well in all the circumstances, would receive the wrong signals.

The Prime Minister asked about the situation inside the Loyalist paramilitaries. Ervine said that it was good, bad and indifferent in different ways, but the bad was uppermost at present. Returning to Sinn Fein, he said that he understood why the Government had offered clarification. But the Government would also understand why the Loyalists had to object. In any case, he hoped that the Government would stiffen up Trimble. He was otherwise fearful that Trimble would not be prepared to accept a sensible conclusion on decommissioning. If Trimble was lost, Hume would be lost too. The SDLP were already very badly weakened, and Hume might not be able to continue in the absence of Sinn Fein. Trimble was under pressure from some of his so-called friends and needed countervailing pressures from others, not least the Government. On the other hand, if the talks did go ahead without Sinn Fein, he thought the IRA would "go crackers" and this would put the Loyalist ceasefire under intolerable strain. He guessed that the Provisionals probably wanted a new peace process altogether, and hoped that Trimble would not give them an excuse for not having to choose to enter the current process.

McMichael added that the Unionists and the Provisionals, for their different reasons, both thought the current process was flawed. Both would therefore be glad to see the back of it. The Government should not give in to this. Ervine commented that if people thought that the Government had a plan B, it was certain that plan A would not win through. So he hoped that there was not a plan B in the Government's pocket.

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The Prime Minister said that a sensible Prime Minister always had a plan B. In general, he had no prejudices about Northern Ireland, but simply wanted to get on with the talks and isolate the men of violence. Hume had said publicly that, if Sinn Fein were not prepared to join the talks, he was ready to go on without them. He had to be held to this, but for this to happen the Irish and the Americans had to be in the right mode as well. There were only two alternatives: talks with Sinn Fein or talks without them. We could not wait for Sinn Fein. But at the end of the day, people could not be made to behave reasonably if they did not wish to.

Whyte said that he was concerned that Trimble and Hume should not pull out of the present democratic process. This would be very damaging. McMichael said that the Loyalist parties' influence over the paramilitaries could not be maintained for ever. He too feared that the Provisionals might conclude that the present talks process would never suit them. But if they stayed out, the Loyalists would have to be prepared to ride that storm if they had to. Trimble should get the message that the way to defeat the Provisionals was to show them that progress could be made without them. Going back to decommissioning, he was worried that there could be agreement on a short term solution which would lead to longer term problems. It would be impossible for the Loyalists to stay in a process where decommissioning was being addressed seriously without the Republicans present. Ken Maginnis's approach, based on a strict timetable and benchmarks, was not acceptable. The Loyalists would not trade off arms for political concessions, and would not offer up blank cheques without the Republicans in the process. Ervine agreed. There was a danger that the Loyalists would be boxed in. The Loyalist parties could not sign away in principle arms they did not in any case control, especially if the Republicans were not in the process.

Dr Mowlam said that she hoped they would at least be able to accept that the International Commission should begin operating in parallel to the substantive talks, so that the idea of decommissioning during the talks was feasible. McMichael sounded doubtful. He said that they would look at this. But what would such a Commission do if neither the Republicans nor the Loyalists were in the process?

Smyth said that there was also the question of how the IRA would be dealt with if violence continued. John Major had said that he would ensure that the Loyalists would never have to return to violence. Successes against the IRA were necessary if the need for Loyalist violence was indeed to be removed. The

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Prime Minister said that he understood this point. He asked whether Sinn Fein were likely to come into the talks. Ervine said that Sinn Fein drew heavily for inspiration on the South African experience – hence so much of their “in your face revolutionary politics”, designed to frighten people and wake them up. The South African experience suggested that, if they really thought the settlement train was leaving the station, this would be a real incentive for Adams to go for a ceasefire. Having said that, he did not know what Sinn Fein really wanted. He was not sure that Sinn Fein knew either, since that assumed they were an homogenous organisation. Sinn Fein had to be faced with the hard choice. They would have to split at some stage, but this must not be before they were inside the talks. Meanwhile, he repeated that the Government were right to offer them clarification, even if he was bound to criticise it. However, the position would have been much better if they had been told in advance that the Government were going to offer clarification.

Smyth commented that, if proposals could be put to referenda in Northern Ireland and the Irish Republic, this would take away the Provisionals’ justification for their violence.

Whyte raised prisoners’ issues. These were very high on the Loyalist agenda, particularly the actions of the Life Sentence Review Board. They were disappointed that no account had been taken of the Loyalist ceasefire. This created great difficulties with the Loyalist paramilitaries. Many families were affected by this. Dr Mowlam said that she was looking at the Life Sentence Review Board, but the Loyalists needed to consider whether they really wanted a change to a different system. For example, a system similar to that operating in Britain would lead to longer sentences and less flexibility.

Ervine raised the need to get more work for the Belfast shipyard. Too much work, for example on “top side modules”, was currently going to Sunderland. Harland and Wolff was a major employer, and could do better without the injection of large amounts of government money. He hoped Adam Ingram would look at this after his visit to Harland and Wolff. Dr Mowlam said that a careful look would be taken once Mr Ingram’s visit had taken place.

The meeting concluded with a brief discussion of the line to take with the press. The Loyalists made clear that they would want to stress particularly the Government’s statement that the settlement train was leaving on time with or without Sinn Fein.

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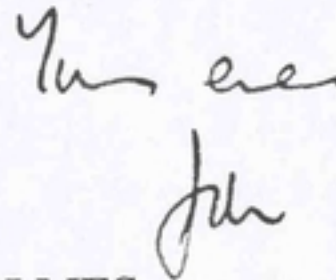
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Comment

The mood of the meeting was constructive throughout. The Loyalists made a good deal of sense as usual, and were characteristically pragmatic, not least on the question of clarification to Sinn Fein. They gave the impression that the Loyalist ceasefire was under its normal strain, but did not exaggerate this. One theme they played up was the role they had played in the Orange Order decision to cancel or re-route marches last weekend, and the real need for progress in the talks if their efforts were to continue.

I am copying this to William Ehrman (Foreign and Commonwealth Office) and Jan Polley (Cabinet Office), and by fax to Sir John Kerr in Washington and Veronica Sutherland in Dublin.



JOHN HOLMES

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