18-JUN-1997 13:39

PRIV OFF STORMONT

01232 760481

John Holmes Esq 10 Downing Street, LONDON SW1A 2AA

From: THE PRINTED ENTIAL

NORTHERN IRELAND OFFICE STORMONT CASTLE BELFAST BT4 3ST

Tel. Belfast (01232) 520700

Agreed by telephone.
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Der John.

## LOYALIST PARTIES IN THE NORTHERN IRELAND TALKS

My Secretary of State met the two loyalist parties (the PUP and UDP) this afternoon. She believes it would be very helpful for the Prime Minister to offer an early meeting with them. With the murders yesterday of Constables Graham and Johnston, the loyalist ceasefire looks to be in great danger, and a meeting with the Prime Minister is one of our best chances of encouraging restraint.

The Ulster Democratic Party has already asked for such a meeting. Richard Lemon's letter to you of 23 May proposed that such a meeting should be held, but that it should be delayed for several weeks to emphasise that the Loyalist parties were, as it were, on probation. It would now in any event be right to take action in line with that proposal: there has been no Loyalist activity that would cause us to advise the Prime Minister to hold off. Yesterday's murders, however, are themselves a pressing reason for a meeting and for extending the offer to the other Loyalist party, the Progressive Unionist Party.

A meeting with the Prime Minister would offer the opportunity of urging restraint. Agreement to a meeting would itself have some sort of cooling effect. My Secretary of State believes, therefore, that an early offer of a meeting should be made to Councillor Ervine of the PUP as well as Councillor McMichael of the UDP. Any meeting would, of course, be subject to 'events on the ground'.

Jours ever,