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FROM: J A STEPHENS ESL DIVISION 29 JANUARY 1993

CÇ; PS/Mr Mates (L, B & DFP) [3,4&5] - B PS/Mr Hanley (L, B & DENI)[6,7,&8] - B PS/Mr Atkins (L, B & DOE) [9,10&11] - B PS/Lord Arran (L, DHSS & DANI)[12,13&14] - B PS/PUS (L&B) [15&16] - B PS/Mr Fell [17] B Mr Ledlie [18] В Mr Thomas [19] В Mr Bell [20] B Mr Lyon [21] B Mr Steele [22] - B

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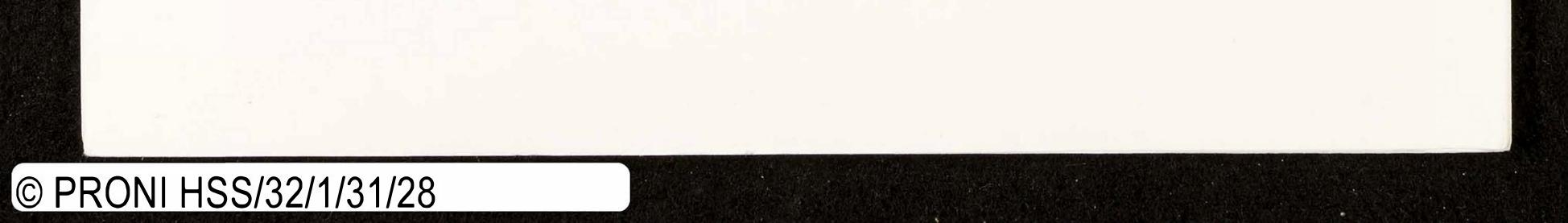
Mr Walkins [23] - B Mr Williams [24] - B Mr Wood (L&B)[25&26] ~ B Mr Brooker [27] - B Mr Cooke [28] - B Mr D J R Hill [29] - B Mr Leach [30] - B Mr Maccabe [31] - B Mr Marsh [32] - B Mr Rickard [33] - 8 Mr Durbin [34] - B Mr Caine [35] - B Mr Bentley HOLAB [36] Box [37] File [38]

PS/SECRETARY OF STATE (L&B) [1&2] - B RESTRICTIONS ON POLITICAL ORGANISATIONS

One piece of unfinished business from the proscription of the UDA, is how Ministers should treat two very small political parties, each with links to proscribed organisations. The benchmark is our treatment of Sinn Fein.

2. The parties are the Ulster Democratic Party (UDP), which is linked with the UDA, and the Progressive Unionist Party (PUP), which is linked with the UVF. The parties only have three

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councillors between them. The issue is not clear cut because, despite their parties' links, these elected representatives have generally condemned violence and have had recent contacts with

3. The general issue now has a specific edge. Lord Arran is to receive a delegation from Derry City Council on 12 February. The list of council delegates includes two Sinn Fein councillors, plus Mr Ken Kerr of the UDP. Ministers need to decide whether Mr Kerr should be rejected from the delegation along with the Sinn Fein councillors. If possible, a decision on this specific issue should be taken by 5 February.

The facts

4. Ulster Democratic Party:

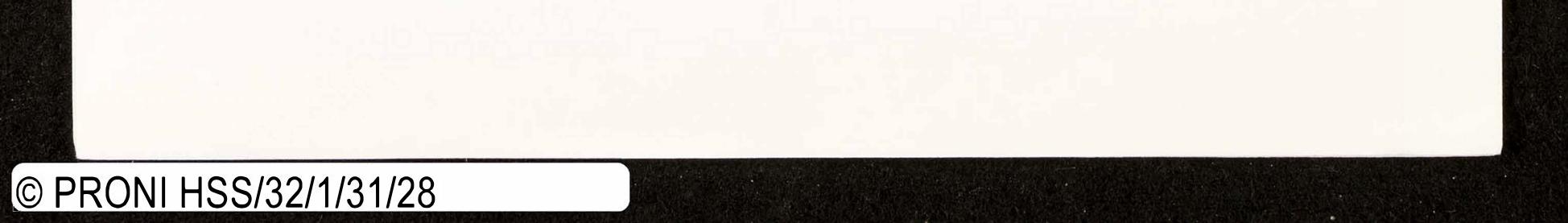
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Links: launched by the UDA in 1981, there continue to be financial, personal and organisational links with the UDA. The two organisations share the same buildings in both Belfast and Londonderry. At the time of proscription, the party admitted to having UDA members among its number. In September 1992 a UDP application for urban development grant was refused by the Secretary of State, on the grounds that it would have benefited the UDA.

Councillors: only one.

Personalities: Ken Kerr, the only UDP councillor, a member of Derry City Council and seen as the UDP's chief spokesman. In the early 70's he served a. sentence for possession of weapons. He has a long history of links with the UDA, although that

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organisation is now virtually moribund in Londonderry. Mr Kerr has publicly denounced paramilitary violence and appears to enjoy harmonious relations with local SDLP councillors.

Current practice: formally the guidance on contacts with Sinn Fein applies equally to the UDP. But in practice Ministers have decided not to follow it: Mr Kerr has met junior Ministers both as a member of Derry City Council delegations and in his own right.

5. <u>Progressive Unionist Party</u>:

Links: Founded in the late 1970's following the collapse of the UVF's first attempt to create their own political wing. There continue to be financial, personal and organisational links with the UVF. Both organisations share the same building on the Shankill Road.

Councillors: two.

Personalities: Hugh Smyth, a Belfast city councillor and alderman. He helped to found the PUP, and its short-lived predecessor as the political wing of the UVF. He has a long history of links with the UVF but publicly does not support or encourage their use of violence. He enjoys a certain respect as a loyalist 'elder statesman' on Belfast City Council. The PUP's other councillor is Samuel Stewart of Carrickfergus.

Current practice: the guidance on contacts with Sinn Fein does not apply to the PUP, so there are no restrictions. The Secretary of State met Alderman Smyth when visiting the Shankill Road last year.

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6. Some further information on the PUP is being distributed separately on a restricted circulation.

Policy considerations

7. These parties, and their personalities, are small beer. But how Ministers treat them needs to be seen against the background of wider, and more important, policy considerations;

> Encouraging political involvement: the Government wants to encourage political involvement wherever possible - particularly at the extremes, if political involvement is an alternative to violence. So we don't want to cut off contacts with politicians unnecessarily.

Contacts with Sinn Fein: but the Government does refuse to have direct dealings with Sinn Fein and its elected representatives on the grounds that Sinn Fein refuses to condemn violence and has links with PIRA. This would be undermined if the Government were thought to be more lenient to extreme loyalists.

Proscription of the UDA: this is the 'new fact' of the past year. Now that we have changed our attitude to the UDA, should we change our attitude to the UDP which is linked to it?

Loyalist terrorism: the rise in loyalist violence focuses attention on how we treat anyone with links to loyalist terrorism. Nationalists, and the Irish Government, will study our approach for signs of bias. On the other hand, the rise in Protestant extremism also emphasises the importance of keeping political avenues open, if possible, for politicians who can articulate extreme Protestant grievances.

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Levels of Contact

8. There are many different levels of contact. Ministers and officials have some contacts even with Sinn Fein. In increasing order of contact, and starting with the minimal contact applied to Sinn Fein, the broad options are:

(i)

Genuine constituency issues dealt with at local office level, and - in correspondence only - with Ministers. No meetings, except where unavoidable during a council visit.

(ii)Meetings with Ministers, either individually or as part of council delegations, but on local issues only.

(iii) Meetings with Ministers on wider political and security issues for individuals or party delegations in their own right.

9. Contacts at level (iii) above are not really an issue in the cases of either the UDP or PUP. Whatever their views, both are simply too small to merit such treatment.

10. But in the past both Councillor Kerr and Alderman Smyth have been used to contacts at level (ii). Should these continue?

Discussion

11. The arguments in favour of continuing the present arrangements are pragmatic. We should not abandon contacts with politicians who have proved helpful in the past. The Government is keen to encourage people into constitutional politics, so we should do nothing to worsen relations with men like Councillor Kerr and Alderman Smyth who appear committed to constitutional politics.

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12. Both appear sincere in their condemnation of violence (and seem to be accepted as such even by SDLP councillors) and may have some influence with the more extreme elements in the unionist community. At a time when there is increasing talk of Protestant 'alienation' we should not lightly cold shoulder those with such

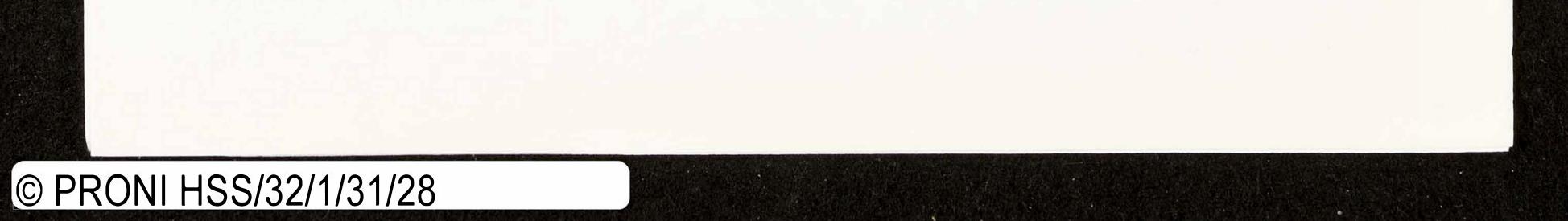
13. The <u>arguments against</u> are more of principle. The Government has consistently taken a hard line on contacts with Sinn Fein because of its support, even though it is now publicly more circumspect, for the use of violence and its association with PIRA. The UDP's connections with the UDA and the PUP's with the UVF (both organisations which, like PIRA, are prepared to use force for political ends) suggest they merit no more favourable

14. Although key personalities such as Councillor Kerr and Alderman Smyth have generally condemned violence, this does not disguise the fact that they and their parties have continuing links with paramilitaries. Failing to treat them on all fours with Sinn Fein could be seen as bias in favour of loyalist, as opposed to republican, political representatives even when they have connections with paramilitary organisations.

The way ahead

- 15. The choices lie between;
 - (i) Maintaining the status quo: we would defend Ministerial contact with Councillor Kerr and Alderman Smyth on the grounds that both had personally condemned violence.

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(ii)

Treating both on the same basis as Sinn Fein: we would defend this on the ground of the known links with paramilitaries. The proscription of the UDA would provide some cover for the change in policy in respect of Councillor Kerr. But the UVF has been proscribed for many years.

Making some distinction between the PUP and UDP: (iii) but officials cannot see objective grounds for doing so.

Conclusion

15. There is no clear consensus among officials. The Secretary of State may find it best to hold a meeting.

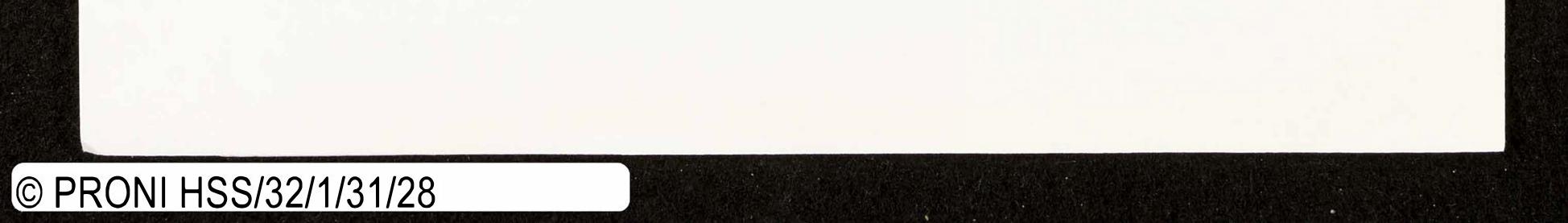
16. The majority opinion is that contact should not be broken off at a time when there is increasing talk of Protestant 'alienation'.

17. My own view, and therefore recommendation, is that the evidence of personal and continuing links with paramilitaries is simply too much to ignore. Ministers should treat these parties, and their personalities, in the same way as they treat Sinn Fein,

(SIGNED): JAS

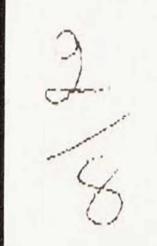
JONATHAN STEPHENS

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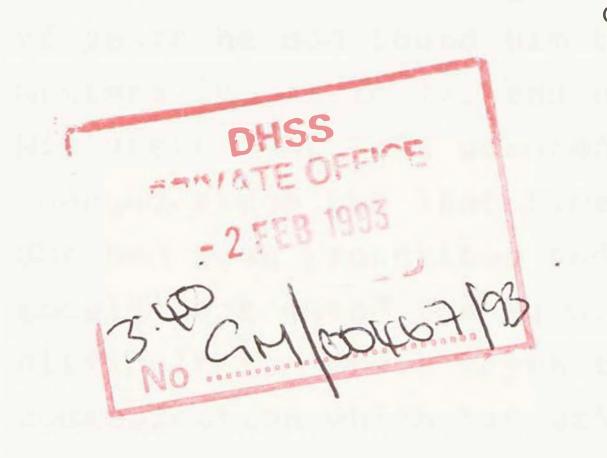
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FROM: PS/Secretary of State 2 February 1993



J A Stephens [1] - B



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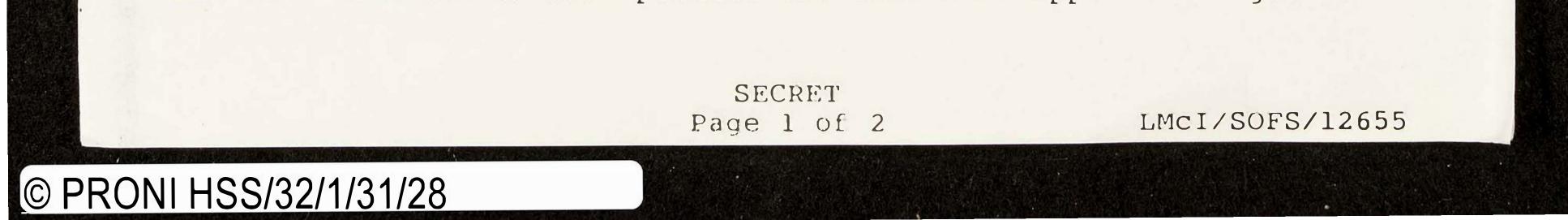
CC PS/SofS (B&L) [2&3] - B PS/Mr Atkins (DOE, DED&L) [4,5&6] - B PS/Mr Mates (DFP, B&L) [7,8&9] - B PS/Lord Arran (DHSS, DANI&L) [10, 11&12] - BPS/Mr Hanley (DENI, B&L) [13, 14&15] - B PS/PUS (B&L) [16&17] - B PS/Mr Fell [18] - B Mr Ledlie [19] - B Mr Thomas [20] – B Mr Bell [21] - B Mr Lyon [22] – B Mr Steele [23] - B Mr Watkins [24] - B Mr Williams [25] - B Mr Wood (B&L) [26&27] - B Mr Brooker [28] - B Mr Cooke [29] - B Mr D J R Hill [30] - B Mr Leach [31] - B Mr Maccabe [32] - B

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Mr Marsh [33] - B
Mr Rickard [34] - B
Mr Durbin [35] - B
Mr Caine [36] - B
Mr Bentley, HOLAB [37]
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RESTRICTIONS ON POLITICAL ORGANISATIONS

The Secretary of State was grateful for your submission of 29 January, which was discussed on the VCR late yesterday afternoon. The Secretary of State was in Belfast with Mr Fell and a number of other officials, Lord Arran, Mr Hanley and PUS were in London with yourself and other officials.

2. Mr Hanley said that he had met Ken Kerr (UDP) on a Derry City Council delegation over a year ago and since then at Magee University. He had found him to be quiet and pleasant and would need to have a good reason for not meeting him in the future. You pointed out that, while Kerr had condemned violence, the evidence of links between UDA and UDP in terms of buildings and organisation were still there. It was relevant that all Sinn Fein councillors had signed declarations against violence. In addition the Secretary of State had turned down an application for UDG assistance for the UDP last autumn. Mr Hill pointed out that Kerr appeared to get on



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well with the SDLP and would not be put forward by them for inclusion in his allegation if he was not acceptable.

3. In relation to Hugh Smyth, Mr Maccabe said that over a number of years he had found him to be a restraining influence in prison matters in particular and generally well disposed towards Ministers. Mr Fell pointed out that the only factor which had changed since the last time Kerr was on a deputation was that the UDA had been proscribed and in the interests of consistency both men should be treated the same. He thought it would be extremely difficult to remove Smyth from the relatively benign channel of communication which had existed for a long number of years. PUS suggested that there was no change in the case of Smyth and in Kerr's case is was compelling that he had been put forward by an SDLP run council.

4. In discussion Mr Williams and Mr Thomas suggested that it was messy and could prompt accusations of double standards if a letter

was sent barring Sinn Fein Councillors but allowing Ken Kerr to come with the delegation, particularly as the Secretary of State was keen to signal to the Irish that he was as much against Loyalist as PIRA violence.

5. Summing up the Secretary of State said that he regarded Loyalist violence in the same way as the Republican variety. But the available intelligence was that there was virtually no UDA activity in Londonderry and Kerr was therefore out on something of a limb. On the balance he considered that Kerr and Smyth could continue to be seen by Ministers. Sinn Fein could be expected to say that we were operating double standards but provided that the SDLP confirmed that they did want Kerr on the delegation criticism could therefore be countered by saying that he was there at the invitation of the SDLP and not the Government.

Signed

W K LINDSAY Private Secretary

