CONFIDENTIAL

THIS IS A COPY. THE ORIGINAL IS From:
RETAINED UNDER SECTION 3 (4) Date:
PRETAINED UNDER SECTION 3 (4) PRETAINED UNDER SECTION

JOHN HOLMES 2 July 1996

43.7

HUME, ADAMS AND A NEW CEASEFIRE

You may like to look at my record of your meeting with Hume, and again at Adams' letter. As you will see, I have asked for rapid NIO advice. But a few quick thoughts from me may be helpful.

How seriously should we take this?

Hume is obviously in earnest himself. But his credibility in this area is very poor. As against this, we know

from Lake and (up to a point) from Adams' own letter that Hume is not making it up. There seems to be serious interest from Adams in a concerted attempt to bring about a ceasefire. But this opens up other questions:

Can we rely on what Hume says?

Hume talked of a unilateral statement by you being enough. But he was as vague as ever about what exactly you needed to say. It is not for Sinn Fein to dictate words to us. On the other hand, there is no point going through an elaborate exercise if Hume has not really understood what is required, or is putting an over-optimistic gloss on it. Adams' own letter is not much help here. It does <u>not</u> talk about a new statement but puts the emphasis on a direct dialogue with Sinn Fein, suggests that assurances from us are "a matter for discussion", and talks of "agreed means" to overcome Irish republican mistrust.

CONFIDENTIAL

THIS IS A COPY. THE ORIGINAL IS

Could Adams deliver?

RETAINED UNDER SECTION 3 4) The biggest question mark over the whole exercise. The IRA's recent actions are not really consistent with readiness for a new ceasefire, although we do know there is a lot of debate going on. The Irish were made promises about a new ceasefire by Adams before 10 June which he did not/could not keep. It remains very difficult to believe this exercise could deliver an unequivocal ceasefire in the simple way suggested by Hume. And it is not easy to see how we could get worthwhile guarantees in advance.

My instinct is that Adams' real aim is to draw us into a dialogue with him by one means or another. He will know that we will not trust Hume and that we are almost bound to go back with more questions, along the above lines. That gives Adams the opportunity for a negotiation. This is dangerous territory for us. But it is also dangerous to do nothing, not least vis-a-vis the Americans, or simply take Hume's word for what is needed. Meanwhile time may well be short - another major incident or incidents would make this process impossible to continue.

My preliminary conclusion is that, despite the risks, we probably do need to find a way back to Adams, not to negotiate, but to ask some simple questions, as above, and to spell out that the mistrust on our side is at least as great as on his, and with very good reason. Obvious options as intermediaries are Hume, Lake, Teahon or indirect contact through other less high profile contacts of our own choice. I am most attracted by the last, assuming there must be some reasonably deniable channels we could use.

CONFIDENTIAL

- 3 -

On a practical note, if you wanted to say anything, the only speech you have coming up is the Grand Committee speech on Friday. This is probably too soon, and a passage on Ireland would stick out like a sore thumb unless we were very clever. I am not attracted by PMQs - it is difficult to say what you want in precise language in that atmosphere, with your backbenchers suspicious about any Anglo-Irish-style language. An interview might be the best bet - if we decide in the end you should say something.

I suggest you discuss this in the first place with Paddy Mayhew tomorrow night,
- if we can fix a meeting, as well as handling of NI Committee. I suggest we
get FERB and John Chilcot along too. Content?

JOHN HOLMES

and Admins are asking for different busgs.

on each of the counts that Fittee lists (the professional as the same