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22/7.  
From: John Holmes

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PRIME MINISTER

NORTHERN IRELAND: SITREP

Thank you  
1/20/7

<sup>- below -</sup>  
I have put in the box separately a note about the Hume/Adams initiative. This note brings you up to date on the rest. ✓

Nothing to report about incidents on the ground. The situation remains calm, with only the odd bit of trouble in Catholic areas. Punishment beatings continue at more or less the same level as usual - ie high. We need to highlight this again at an appropriate moment. ✓

You will have seen press reports of the I.G.C. Records will come through in due course, but essentially there were four phases: ✓

- (i) An exchange about the Belfast talks, following a gloomy report from Mitchell that, while Trimble appeared reasonably ready to move on procedures, Mallon was digging his heels in, insisting in particular on getting through the whole of the opening plenary by the end of July. It was agreed that there was no point in looking for a plenary on Monday. More bilateral work would be needed, with the British Government continuing to work on Trimble and the Irish on the SDLP. There was a certain amount of comment from the Irish that all this illustrated how difficult things had become following the seismic events at Drumcree etc. But the problems are not between the two governments. There is no doubt that the talks are on a knife-edge.

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- (ii) A restricted security session on cross-border cooperation, intelligence exchange etc. Nothing much to report.
- (iii) An extended session on Drumcree and its aftermath. The main feature was what the NIO describe as a "virtuoso" performance for 20 minutes by the RUC Chief Constable. They claim the Irish had no real response.
- (iv) A short discussion of the proposed review of parade handling for the future (see below).

Overall the I.G.C was much as expected: reasonably friendly overall, but with some harsh things said on both sides, and the outcome a shared desire to draw a line under these exchanges and work together to make a success of the talks.

Three other points to mention:

- (a) The parades review: Paddy Mayhew is looking at papers about this over the weekend. The plan is to make an announcement before the House of Commons rises. The NIO are thinking of a small Commission of three or five members, with a reasonably eminent, independent Chairman (not a foreigner). The other members would need Northern Ireland experience. They would be supported by a single representative from each Community. Their remit would be to look at current decision-making on parades, and to examine the possible need for new machinery, formal and informal, to resolve problems. They would start work in September and make recommendations by the end of the year, in time for their recommendations to be implemented for the 1997 marching. This is all sensible enough, but I wonder whether it will strike the right note of urgency. We should get an opportunity to comment at the beginning of next week.

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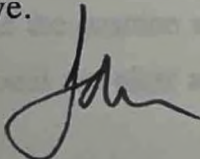
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- (b) Apprentice Boys: I have encouraged the NIO to be, or at least appear to be, as active as they can. Lots of consultations are going on, at local level and between the parties (Paisley, Trimble and Hume). The prospects of a sensible compromise eg a march which does not go onto the walls in Londonderry, are reasonable if the republicans are not determined to make trouble.
- (c) Chief Constable: the Alliance Party motion of no confidence in him in the Police Authority was not passed. *Good*

Overall we are about as reasonably placed as we could have hoped at the beginning of this week. But, as I have said, the position is very fragile and tension high. We will have to work very hard to get the talks moving fast enough to get the plenary through before the summer break, which is what both we and the Irish want. We may have to push Trimble quite hard. Paddy Mayhew may call you about this over the weekend.

Meanwhile, I have been thinking about additions/alternatives to our present policy. We may need an imaginative new move at an early stage. Most ideas do not get off first base, at least while the present talks process is still on the rails. I have nevertheless commissioned a "quick and dirty" options paper from the NIO, to be ready in the middle of next week. I have encouraged them to look at the full range of possibilities, even if some of them are obviously unattractive. *Well done.*



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