File phist.

From: JOHN HOLMES
Date: 5 July 1996

PRIME MINISTER

NORTHERN IRELAND

1 like the amurchel Letter. (Chd. we brief Mitchell?) Pl. Leher Mon.

- I attach a letter from the NIO, with a revised draft letter to John Hume. I think the general approach is right, and is in line with the discussion with Paddy Mayhew the other day. But the NIO version is repetitive in places, and still carries in its fourth paragraph the implication that Sinn Fein can join the talks quickly, as soon as they declare a ceasefire. I have therefore suggested in manuscript some changes.
 - The draft still leaves open the question of whether we are prepared to repeat publicly the points about comprehensive negotiations, decommissioning etc.

 The other outstanding question is how we now handle Hume ie whether you should see him again to give him the letter.
 - PMQs on Tuesday. An alternative would be for me to see Hume to hand over your letter. In either case we should make clear that we <u>are</u> ready to repeat publicly the points in the letter, but only <u>if</u> we can be convinced that Sinn Fein themselves are serious, and are not simply playing games; and that the evidence of the IRA's actions, and Adams' letter itself, point to game-playing hence the questions we are now putting.

- In practice, it remains unclear whether there is anything serious behind the Hume/Adams initiative. Further confusion is sewn by the IRA interview in the latest edition of *An Phoblacht*. This sounded as if it was more or less ruling out a new ceasefire, and the press certainly interpreted it as such. But you will see from a separate piece of paper in the Box that Adams gives a different, more optimistic, interpretation.
- Paddy Teahon told me today that the Irish have now heard about the initiative directly from Sinn Fein, from the SDLP and from Irish-American sources. All are saying the same thing, namely that if we make a statement along the lines proposed, including some indication of a time frame for negotiations, there will be a ceasefire by the end of July.
- Paddy Teahon does not think this credible, given all the other things that are happening. Neither do I. But at the very least we need to be careful not to be wrong-footed by Sinn Fein's clever approach.

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- March on Sunday morning. This concern has increased steadily, while the impasse has continued. The Nationalist community insist that the Orange March should not pass through their area of the Garvaghy Road, and say they will block it, while mounting their own demonstration. The Orangemen have said that any decision by the RUC to re-route the march will not be tolerated.
- There are real fears that, whatever decision the RUC take, serious trouble will result, and could continue for some days after the march. There are even suggestions that this could lead to a breakdown of the Loyalist ceasefire. Last-minute attempts, led by Robin Eames, are underway to bring the two sides directly together, but the chances of success are not good. We therefore need to be braced for ugly scenes on Sunday in Portadown, and the possibility of serious rioting and violence. Trimble will be in the frontline, as last year.

Content to write to Hume as suggested, and to see him on Tuesday? You may want to discuss this on Monday morning.

John

JOHN HOLMES 5 July 1996

[F\Northern.MRM]