of: EO

Ref: BO.2131

MR HOLMES

cc Ms Polley Miss Collins file Analy.

## HUME/ADAMS/CEASEFIRE

- 1. I support the thrust of the NIO advice which I gather will reach you later today: namely that we should make a serious response to Hume's latest approach (your letter of 18 July).
- 2. Matters are naturally not as simple as Hume indicated. According to Teahon, as you know, Sinn Fein told Irish officials on 17 July that a ceasefire would simply not be credible at the moment with their own activists, added to which Adams apparently still had in mind (over and above the familiar three conditions) a timeframe for the talks.
- 3. Nonetheless, I believe we would be ill-advised simply to do nothing. We need to avoid the risk of being thought (by Dublin/Washington/SDLP) to have spurned what might be presented as a genuine approach not least because the effect on Hume, who is having to struggle with his own colleagues to keep the SDLP involved in the talks at all, might well be unfortunate. And given the chance of further IRA bombs, we arguably need, in any case, to explore any indication that they may be ready to announce a further ceasefire especially if that would, as reported, be for good.
- 4. Ministers may see a case for delaying this until the Parliamentary recess. I believe it would be unwise to wait longer.

5. We could and should portray any such contact with Sinn Fein, indirect or direct, as the Government on the front foot, rigorously testing out PIRA/Sinn Fein's position, while firmly maintaining its insistence on a ceasefire as a prerequisite for allowing Sinn Fein in to the talks.

Colin Budd

COLIN BUDD

22 July 1996