CONFIDENTIAL



10 DOWNING STREET LONDON SW1A 2AA

From the Private Secretary 22 July 1996

HUME/ADAMS INITIATIVE

Paddy Teahon rang me on 20 July to report on Irish officials' latest 21/2 hour meeting with Sinn Fein (Adams, McGuinness and McLaughlin) earlier that day. Most of the discussion had been about the Apprentice Boys, and how to prevent trouble not only in Londonderry but also in Belfast - Sinn Fein argued strongly that, given the tensions eg on the Ormeau Road, a formulation going wider than just the route through Londonderry was needed. O'hUiggin and others from the DFA are likely to get involved, and the Irish are keen that the NIO should be too.

The meeting also covered the prospects for a new IRA ceasefire, and the Hume initiative, rather more explicitly than before. Adams said that if there could be a meeting with the British Government at official level, even an entirely private one to start with, and if we were then prepared to make a threepart statement on the lines proposed by Hume, Sinn Fein would then be ready to go for a new ceasefire. The timing of this would be after the Apprentice Boys were (safely?) out of the way, with a slight implication, no more, that the second anniversary of the first ceasefire might be important.

It was clear from what Adams said that Sinn Fein need a talks process in being for their policy to work, and that, perhaps for this reason, they do not necessarily endorse the SDLP insistence on getting through the opening plenary before the summer break. The Irish were struck by the seriousness of Adams about all this, and his readiness to speak about it in front of others such as McGuinness. Adams also said at one point that if what he was proposing was no good for HMG, he was ready to look at other ways forward.

Like us, the Irish find it difficult to explain why the proposed HMG statement should make so much difference, and to reconcile this initiative with the IRA's active preparations for more violence and other evidence. Adams was unwilling to be drawn on this. The Irish can only speculate that Sinn Fein see an opportunity to capitalise on the present situation to take the high ground, and displace the SDLP as the recipient of Nationalist votes.

These discussions also incidentally cleared up one piece of confusion about the proposed statement, namely the insistence we have heard at times on a "timescale" for the talks. According to Teahon, this is clearly linked to decommissioning, and to that part of the statement. In other words, Sinn Fein want to be assured that there will not be endless discussion of decommissioning before the rest of the talks can get going. What they seem to be looking for is some cut-off point or review date.

All this is useful corroboration of the main elements of what Hume has been telling us. Hume incidentally rang again this morning to enquire about progress, and to say that, although he would be avoiding public engagements for the time being, on doctor's orders, he would continue to be in touch about this private business. I said I hoped we would be able to respond in a day or two.

The Prime Minister remains uneasy about seeming to dance to Adams' tune, but has agreed to consider a form of words with which we could go back to Hume. I attach a possible draft, based heavily on the language you sent with your letter on this issue earlier today. This could be sent to Hume, with a short covering letter, on the assumption that he would immediately pass it on to Adams. I would be grateful for any comments by tomorrow morning. I will show it to the Prime Minister in parallel overnight.

I am copying this to Jan Polley (Cabinet Office).

Yours ene

JOHN HOLMES

Martin Howard Esq Northern Ireland Office