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File
John 3/9.
From: John Holmes
Date: 30 August 1996

PRIME MINISTER

NORTHERN IRELAND

thank you 4/31.A

A quick procedural note on the next steps may be helpful.

Paddy Mayhew is only returning to the office on Monday, but will be looking at various draft papers over the weekend, which should reach us early next week. We are basically expecting four papers:

✓ (i) advice on the prospects for the talks, which resume on 9 September, and how to maximise the chances of progress, particularly over decommissioning. Paddy is planning to meet Spring on Thursday next week, and NIO Ministers hope to have had at least some contact with the main parties before 9 September.

✓ (ii) further advice on what alternative course we might pursue if the talks collapse (you saw an initial paper before the summer break).

✓ (iii) a note on what the UUs might be offered, eg on a Northern Ireland Grand Committee, in The Queen's Speech context. I know you are very keen on this.

✓ (iv) advice on when you might best visit Northern Ireland yourself.

Marches apart, not a lot has happened over the summer break, with exhaustion the name of the game all round. The ball is still in the Hume/Adams' court on their so-called initiative. The general atmosphere has improved a little since Drumcree, but the two communities remain nervous, frightened and polarised,

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- 2 -

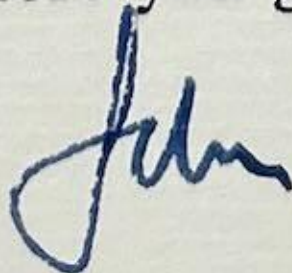
with the middle ground still more or less unoccupied except by Alderdice.

The main current fear is that the Loyalist ceasefire may break down. The NIO are in touch with the loyalist parties, to urge the ceasefire's maintenance, and are also looking urgently at the prisoner issues raised by the loyalists with you. But none of this is helped by the current row over the Combined Loyalist Military Command death threat to "King Rat" Billy Wright, a rebel UVF member. The NIO have condemned the threat, despite our distaste for Wright himself, but are otherwise keeping their heads down. The Unionists have demanded the expulsion of the PUP and UDP from the talks. But it is not for us to judge whether the loyalist political parties have broken the Mitchell principles through the loyalist paramilitary threats to Wright - that is for Mitchell as Chairman of the Plenary to rule on in the first place. You are incidentally seeing Mitchell on Thursday 12 September at 0900.

The other notable feature of the summer has of course been the absence of further IRA attacks since Manchester. This is almost certainly a combination of summer holidays (even terrorists have them!) and the serious disruption caused to mainland IRA activity by Security Service/police successes, rather than a deliberate policy or a prelude to a new ceasefire. The "peace" could be broken at any time. But it does at least give the Adamses of this world a better opportunity to argue for a new ceasefire if they want to try. You will see elsewhere in the box papers about a possible IRA General Army convention, which does not in my view bode well for the future. The Irish are slightly more optimistic (but they usually are).

No decisions for you in any of this, but I wanted to set the scene for papers to follow, hopefully before you go off to Scotland.

JOHN HOLMES



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