

From: Rachael Reynolds
Date: 9 August, 1996

PRIME MINISTER

cc Edward Oakden

LONDONDERRY AND SINN FEIN

The Party Chairman spoke to me this morning to pass on some information from 'a friend'. It may well duplicate information you already have but he asked me to pass it on. This I do.

His friend with contacts in Sinn Fein told him last night that since Sinn Fein had decided the Government was going to lose the election and so would do all it can to embarrass the Government in the meantime. To this end, Sinn Fein intended to maximise the trouble including violence on the streets of Londonderry over the weekend.

Rachael

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RESUMPTION OF THE TALKS: OUTLINE HANDLING PLAN

I attach a possible outline handling plan for the resumption of the talks. It builds on Mr Stephens' submission of 7 August on the handling of de-militarisation and should also be read with the submission of 25 July on handling any new IRA submissions which the Secretary of State discussed last week.

2. The paper identifies some possible objectives which may need to be achieved in the first couple of weeks after 1 September. It also sets out a number of steps which might be taken to support these objectives in the period before 3 September. It would