CONFIDENTIAL

From: JOHN HOLMES Date: 27 January 1997

PRIME MINISTER

cc: Mr. Barton Mr. Haslam

NORTHERN IRELAND: PARADES

Cabinet Office brief and papers below. You saw the draft versions of the main papers over the weekend. They have not changed in substance.

The decision between options 2 and 3 in the NIO paper is a fine one. I continue to think that the NIO recommendation is probably right, because it involves some action now.

The Cabinet Office brief makes a good point about the dangers of implementing the enlargement of the public order criteria for banning parades to include the impact on the relations of the community. This is likely to be the crux of the controversy. And, as Colin Budd points out, introducing it now would put extra pressure on the police.

The Belfast talks resumed today in plenary mode. As far as I know, it was a relatively uncontentious day. There was much discussion of the position of the Loyalists but no determined attempt to throw them out. The prospects for progress over decommissioning continue to look unpromising, but not hopeless. Signals from the UUP remain as mixed as ever. Michael Ancram was seeing Trimble again tonight.

John Holmes

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