JOHN HOLMES From: 18 September 1996 Date:

PRIME MINISTER

THIS IS A COPY. THE ORIGINAL IS RETAINED UNDER SECTION 3 (4) NI: PROSPECTS FOR A NEWFIRA CEASE PIRE RECORDS ACT

Cabinet Office brief, latest JIC assessment and NI paper all flagged below. A clutch of latest reports casting further light on the background is also in the box.

Even if Adams would like to go down this route, he does not have the grass roots behind him - hence perhaps his increasingly desperate appeals to you to do something to get him out of this box (see his letter to you, elsewhere in the box).

The improbability of another ceasefire does not invalidate the approach set out in the NI paper. If and when violence restarts, it is essential that we do not get the blame, but that it rests fairly and squarely where it belongs - with Sinn Fein/IRA. Hence the need not to spurn Hume but to keep his approach in play, while making clear our scepticism. (I have already told him twice clearly over the phone this week that the evidence we see of IRA intentions simply does not square with what he is telling us.)

I do not agree with Colin Budd's Cabinet Office brief on the need for new official-level contact with Sinn Fein at this stage. It would of course be good to have more direct evidence of their own thinking, but I doubt much would come out of such a contact. And the politics remain lousy. We would be seen to be

playing the Sinn Fein game and running after the extremists. I suggest you let the passage in the paper speak for itself on this issue. That way our options are left open.

I am afraid I do not have a good picture of what line other members of NI will take. My guess is that Howard and Portillo will be very sceptical of the possibility of a new ceasefire, and probably Cranborne too. (I talked to Cranborne earlier in the week, before and after a meeting he had with Trimble. He seemed in reasonable mode and confirmed incidentally Trimble's much more constructive approach since the summer break.) But I hope this scepticism will not lead them to reject the important tactic of keeping Hume in play.

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The formal talks in Belfast are currently stuck on the Alliance's complaint against the DUP and UUP for violating the Mitchell principles over Drumcree. Behind the scenes the efforts to find a way forward on decommissioning are continuing. The latest development was a trilateral earlier today between ourselves, the Irish Government and the UUP, to discuss inter alia respective draft legislation on decommissioning. It went reasonably well apparently, not least from the point of view of exposing the Irish Government to UUP views on the issue. Paddy Mayhew will have more to say about this at the meeting.

The DUP are meanwhile denouncing everyone and everything in sight, including us from allegedly shifting our ground on decommissioning. So what's new?

Jan

JOHN HOLMES

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