

From: JOHN HOLMES
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PRIME MINISTER

NORTHERN IRELAND

(I wonder if there is now scope for eg Mayhew to make a speech explicitly underlining the dangers of a vacuum, and calling on the parties to renounce or the substance
The talk with Trimble yesterday left policy prospects on a rather gloomy note. It is clear that we can expect no help from that quarter, to put it no lower. But - perhaps in mid/late January).
the underlying reality was in any case that little progress could be expected before the election, whatever NIO wishful thinking.

Our basic objective must be to leave a process in being to be picked up again after the election. If it were possible, without compromising our stand, to achieve a position where Sinn Fein could be admitted after the election, or even admitted in principle before it, that would be an added bonus in some respects. But this must be unlikely, despite the possibility of a relatively late IRA ceasefire for tactical electoral purposes.

I have asked for advice from the NIO about the way forward in time for your return in the second week of January. I will also try to put some thoughts ... together myself. Meanwhile you may like to glance at the attached NIO paper about the prospects for 1997. It is a rather good summary. Most of it is on familiar lines, but there are one or two new ideas from paragraph 9 onwards.

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