CONFIDENTIAL

From: John Holmes
Date: 3 March 1997

PRIME MINISTER

NORTHERN IRELAND

Following your discussion last week with Paddy and Michael Ancram, the NIO have now drafted the attached NI paper and sent it to us for clearance. (NI is currently fixed for after Cabinet on Thursday).

You were inclined to wonder whether a paper for NI was needed or wise, but I think a paper of some kind is needed to explain the background and focus discussion. Does it need to include the draft answers to Adams? Again, I think it would be odd and incomplete if it did not.

The draft paper is not brilliantly written, in my humble view, but is clear enough about the essentials. It is also slanted to the conclusions the NIO want. I have suggested in manuscript a few rebalancing changes/additions. This process could be carried further, but it is the NIO's paper, and you will not be committed to it yourself in advance of the discussion.

On the substance of the answers to Adams, the proposed "shorter alternative answer" to Q1 strikes me as good. The other alternatives could be deleted for presentation to NI. On the crucial answer to Q2, I think the proposed answer is now fine, without the addition in brackets, which continues to look gratuitous (but I see no harm in leaving it in as it is for NI to see). The paper does not mention the scenario of using a formula like this in response to a specific follow-

CONFIDENTIAL

- 2 -

up question from Hume/Adams. I think this has attractions of both timing and substance but can best be raised orally during NI.

Content for a NIO paper on these lines, with amendments as suggested, to be circulated to NI members on Wednesday?

V

JOHN HOLMES