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File 4/4.

Thank you.

From: John Holmes

Date: 1 April 1997

PRIME MINISTER

NORTHERN IRELAND

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1. Lots of activity of various kinds over the weekend, as you will have seen from the press, but no change in the underlying situation.
2. Much speculation was aroused by Mo Mowlam's remarks about Sinn Fein's entry into talks during a radio interview on Saturday morning. She said that, if the IRA called an immediate ceasefire, and Sinn Fein showed by word and deed that they were committed to the democratic process, it would be a "high possibility" that Sinn Fein could join the talks when they restarted on 3 June. This goes further than our own position, though it falls well short of the guaranteed entry sought by Sinn Fein. Her remarks were welcomed by Sinn Fein spokesmen but condemned by Unionists. Both UUP and DUP warned that, if Sinn Fein were let in soon, they would not be there themselves.
3. When I first heard of Mo Mowlam's remarks, I wondered whether they were premeditated, and cooked up with Hume, to provide the trigger for the new IRA ceasefire
- But the context (an interview in which she was pushed into a corner before using these words), the rather embarrassed Labour Party reaction since, and the absence of a ceasefire announcement have convinced me that, if anything, she spoke out of turn. The Labour Party have certainly been at pains to get across that no policy change was intended and have firmly rejected a plea by Adams for direct discussions.

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On the ground, IRA violence is at a high, if mostly unsuccessful, level – a large bomb defused over the weekend, and an RUC officer shot and wounded by a sniper. The Loyalists responded with an (also unsuccessful) bomb attack on a Sinn Fein office, although their ceasefire remains nominally in place. Meanwhile an Apprentice Boys' Parade down the Lower Ormeau Road in Belfast passed off peacefully, because the Apprentice Boys deliberately decided to avoid confrontation, despite the scorn of hardliners.

Where does all this leave the prospects for a new IRA ceasefire?

Press speculation about a new ceasefire has also increased, in Dublin as well as Belfast, even before the Mowlam comments. But “republican sources” quoted in the press have been lowering expectations of a rapid new ceasefire. And Adams has been saying openly in the last day or two that he does not have anywhere near enough to go back to the IRA to ask for a new ceasefire.

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So IRA/Sinn Fein intentions are as hard to read as ever. My guess is that a new suspension/ceasefire is likely at some stage in the relatively near future because Sinn Fein has nowhere else to go; and that Adams and McGuinness must want this before the election, if at all possible, for obvious electoral reasons. But they

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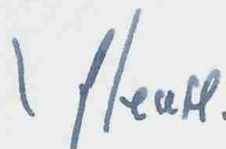
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may not be in a strong enough position to dictate this to the hard men. Violence may therefore continue over the election period, albeit at a relatively low level.

Consequences for the Government's policy? We remain relatively comfortable where we are: we have a perfectly good line on an IRA ceasefire and Sinn Fein's entry to talks, which we deployed again over the weekend. Pressure from various quarters to be more positive about Sinn Fein's entry to talks on 3 June is likely to continue – see for example the attached personal letter to you from Albert Reynolds. But I see little advantage in changing our approach now.

There was inevitably some political sniping at Mo Mowlam for what she said, notably from Andrew Hunter and the Telegraph/Sun – even Paddy Mayhew, I believe under Central Office pressure, said her approach could be seen as dangerous. But I assume you would not want to depart from the present essentially bi-partisan approach.

Content with the above line? I will draft a short reply to Albert Reynolds if you agree.

**JOHN HOLMES****CONFIDENTIAL**