The National Archives reference PREM 49/112

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From the Private Secretary

15 July 1997

Deer Jdm.

## MAINTAINING THE POLITICAL PROCESS

The Prime Minister was grateful for Dr Mowlam's undated minute, which we received on 14 July. The Prime Minister was interested to see this account of thinking about how we should react if the talks process effectively collapses later this month over decommissioning. He agrees that we need to avoid a vacuum developing, and that an approach on these lines may well be needed, if all talks avenues are exhausted (and seen to be so). He is content that these ideas should continue to be worked up, and discussed as necessary with the Irish.

However, the Prime Minister is also very concerned that this planning, and particularly discussions with the Irish, may get out in the wrong way. It is not sensible to appear to be planning actively now for a breakdown of the talks, or to seem keen to move on to an alternative process. Moreover, any appearance of conspiring with the Irish Government about the shape of a future settlement is obviously sensitive. We therefore need to ensure that this work remains as discreet as possible. Would not a discussion in the normal IGC format go rather wide, and therefore carry a high risk of leaks? If Dr Mowlam wants to talk to the Irish Foreign Minister about these ideas, this might be best done in a forum which is as restricted as possible.

On the substance, presentation would obviously be very important. We would need to make clear that we were not in the business of imposing a settlement. This means that the point in paragraph 10 of Dr Mowlam's minute would need to be reflected clearly in one way or another in what we say, if we are not to risk immediate Unionist rejection. There is obviously a delicate balance to be struck between setting a clear target of putting proposals to a referendum, and making clear that the political parties must be fully involved in, and supportive of, the process.

I am copying this letter to Jan Polley (Cabinet Office).

JOHN HOLMES

John McKervill Esq Northern Ireland Office

AS