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10 DOWNING STREET LONDON SW1A 2AA

From the Private Secretary

Dear Ken,

27 June 1997

File Alsinn Lein SM

SINN FEIN

The Prime Minister has been reflecting on how we should play Sinn Fein in the coming days and weeks, on the assumption that they are not going to declare an early ceasefire. He remains keen for us to give them, and others, no possible excuse for backing away from the choice they have to make. Clearly a further meeting is not possible. We have also given them all the substantive clarification they should need. However if it becomes clear that some further response to their requests for clarification would be helpful, not least in presentational terms, the Prime Minister would not be against this if necessary. It might be done for example in the form of a letter from Quentin Thomas to Martin McGuinness. The Prime Minister would want to see this before it issued. We have to steer a very careful course between seeming to respond reasonably and seeming to be swayed by further Sinn Fein pressure and salami-sliced by their tactics. We would not want to give anything more in substance, but there may be things we could say on eg how we <u>normally</u> handle prisoner issues.

All this does of course depend crucially on the future level of IRA violence. Last night's further attack on the RUC does not bode well. We need to think through in advance how we would respond to another major, successful terrorist attack. Could we hold to our current position in the face of the Unionist and other pressure we would come under to move away from the terms of the aide memoire? If not, what would be a reasonable position to move to which did not slam any doors but showed that violence was counter-productive for the republican cause? Any thoughts you might have on this would be helpful for our return from Hong Kong.

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

and Fanice Richards JOHN HOLMES

Ken Lindsay Esq Northern Ireland Office

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