CONFIDENTIAL From: The Private Secretary



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1 July 1997

Deer Jh,

SINN FEIN

Many thanks for your letter of 27 June.

We very much agree with you that we should continue to keep Sinn Fein boxed in. We have made them a reasonable offer, on proper terms, and we must not allow them to wriggle away from the choice that confronts them.

We also very much take your point about being ready to respond to any request for clarification. As you say, we will have to steer a very careful course. On the one hand, we should not rule out further clarification if there are genuine points at issue, or if presentationally it is an important step in securing a ceasefire. On the other, we should not do anything to undermine the credibility of our current stance, either as perceived by the public at large or by the Irish and Americans in particular, who have accepted our line that this is in effect a final offer, not open to further elaboration. Alderdice and McCartney, amongst others, have already been warning the Government about being strung along.

It will certainly help officials who may be telephoned by Sinn Fein to know that we do not rule out genuine clarification. Any further conversations will be guided by this and could be used to identify and delineate narrowly any points meriting reply.

## CONFIDENTIAL



The way in which further clarification might be offered is extremely important. One possibility, as you say, would be a letter from Quentin Thomas to Martin McGuinness. Depending on the issues, this might be the simplest and most effective method, for example to elucidate a narrow point on the aide memoire or decommissioning paper. We would of course, as you suggest, clear any such letter with you.

If, on the other hand, further violence were to make it inappropriate for us to engage in direct written contact with Sinn Fein, a possible alternative would be for the Prime Minister or Secretary of State to give clarification in a speech or article. We can, in any case, envisage that in the second half of July, after Drumcree, and as the talks work towards a conclusion on decommissioning before the Summer break, there could well be a case for a wide-ranging speech or article. This could comment on any lessons following Drumcree, restate the value of the talks, pick up the latest position on Sinn Fein, and provide further clarification to Sinn Fein if necessary. To pick up your point, it might offer a standard account of the Government's approach to terrorist prisoners or other measures related to confidence building.

As of now, however, until we receive a further approach from Sinn Fein, there is no immediate action to be taken on our part. The ball is in their court to let us know what clarification is required. The only point which Ministers should look out for is that clearly they should not say anything in public which appears to rule out the possibility that clarification might be given, if that is their intention.

You referred to continuing IRA violence. There are some indications that the IRA have put in place a tactical suspension, since Saturday, pending clarification of the aide memoire. Until that is confirmed our assumption has to remain that further serious incidents, possibly involving fatalities, could occur. This would be in line with Adams' recent comment that

## CONFIDENTIAL



violence is inevitable in the absence of a ceasefire. The Movement will also have come to the realisation that if a ceasefire is announced in early August they could still get a seat at the talks in mid September.

You asked whether we could withstand pressure from the Unionists to amend the aide memoire. We believe we should. In wider political terms it will clearly be difficult to alter the document now that the Irish and Americans have ridden in behind it and the public at large feels that the Government has acted in good faith. The obvious pressure point is the six week period but, as we have already recognised, this represents a pragmatic compromise between the Irish, the SDLP and Sinn Fein who want something shorter, and the Unionists who would prefer something a lot longer. There is no obvious figure to put in its place. This point does at least seem to carry some weight with the UUP who, as we know, regard the quality of the ceasefire as the primary indicator, rather than the period of assessment. We can, perhaps, take some comfort from the fact that the length of the six week period has not become a major issue since the terms of the aide memoire were announced.

If the aide memoire does come under fire we believe that Ministers' general approach should be to revert to the high ground by emphasising that this whole exercise is intended to bring Sinn Fein to the point where they must face up to the choice between politics and violence. Far from being soft on terrorism, the Government is striving to get Sinn Fein and the IRA to face reality - in the best interests of the talks. The Government meant what it said in the aide memoire, and will stand over it.

In thinking about the period ahead we might also bear in mind that, as we get closer to September, the terms of the debate will gradually change. If it starts to become clear that the Republic Movement is not going to grasp the opportunity now being presented to it then

## CONFIDENTIAL



Ministers can take an even firmer line with Sinn Fein. Presumably, the Irish and Americans would do the same. In the meantime, a strong defence of our current position, seems to be the best posture.

Like you, I am sending a copy to Jan Polley in Sir Robin Butler's office.

Jus ever Justice III