## CONFIDENTIAL

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From: John Holmes

Date: 21 November 1997

PRIME MINISTER

NORTHERN IRELAND: HEADS OF AGREEMENT

I attach

- (i) Trimble's thoughts;
- (ii) a letter from the NIO setting out their thoughts;
- (iii) my own very hasty draft Heads of Agreement.

You said you wanted to reflect on all this over the weekend. I am afraid that, as you will see, there is a real difference of view between us and the NIO. The NIO are suggesting that we should effectively ignore what you agreed with Trimble, and instead table in the talks our own ideas. I understand their reasoning, but I do not think we can go down their route, not least since the Irish are also pursuing separate discussions with Trimble, and agree with us that we will have to make progress outside the talks first.

My own version of the heads of agreement tries to take some account of Trimble's language (but it is hard to do so, except on Strand I) and to incorporate the best and least green bits of the NIO suggested paper. The order is designed to suit Trimble.

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I think we will have to sit down with Mo and officials early next week and thrash out how we are going to tackle things in the next couple of weeks, in particular how to articulate our efforts with those of the Irish and what is going on in the talks. This is a difficult conundrum, hardly made easier by the intelligence elsewhere in the box, and we must talk it through properly. We cannot afford to get it wrong.

JOHN HOLMES