

**From:** John Holmes  
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**PRIME MINISTER**

**cc:** Jonathan Powell  
Alastair Campbell  
Philip Barton

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**NORTHERN IRELAND**

We have an hour tomorrow morning with Mo, Paul Murphy, Joe Pilling (new Permanent Secretary) and Quentin Thomas to discuss the talks process and the way forward. You may think this a bit unnecessary, but we and the NIO need to be clearer about each other's views, and it is an important part of keeping Mo positive.

Mo was planning to send you a minute setting out her views on the immediate next steps. This has not materialised, perhaps because of disagreements within the NIO. But their basic view is that, if the UUP and the Irish cannot reach agreement quickly on Heads of Agreement (as they strongly suspect), we and the Irish Government must be ready to table some discussion papers of our own on Monday to "kick start" the process. The papers would be on Strands 2 and 3 in particular.

You will obviously want to insist on the imperative need for the Heads of Agreement to succeed, if humanly possible. You should also probe them on what would be in their papers, and what the likely reactions would be. The Unionists will respond badly to anything Anglo-Irish, and will tend to see it as



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cutting across their efforts with you unless they are carefully prepared. We need to watch this like a hawk or there could be a UUP explosion.

Mo will also want to stress yet again the need to ensure the primacy of the talks themselves, and the need to avoid pushing out, eg the Loyalists and Sinn Fein by appearing not to involve them. She is also likely to say that she cannot stand much more of Trimble's abuse both of her and NIO officials, whom he accuses of being liars and cheats.

She has also sent you a wider paper on "The Year Ahead", attached. This covers issues such as parties, policing, equality reform, and Bloody Sunday. It is a useful tour of the problems, but does not really take us much further. It also tends to suggest more action which the Unionists will see as sops to Nationalist opinion.

*Temporarily Retained*

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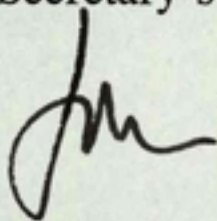


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To me, it remains unclear what real purpose a statement now will serve. It is almost certain to annoy both sides. It will show we are not ignoring Bloody Sunday, which has some value, but not much else. You should push her on this.

Following the session with Mo, we have 30 minutes with Jack Straw as well, together with Adam Ingram and the Head of the Prison Service, Alan Shannon, about prisoner issues in the medium term. I attach again the Home Office/NIO paper you saw before Christmas. You may like to refresh your memory quickly. The main proposal is that a Commission should be set up to review sentences in the context of a settlement. This is probably inevitable, despite all its difficulties, but the question is whether and if so when we should say anything about such a possibility during the talks. This is worth talking through.

This meeting is also a chance to look at the more immediate issues in the Maze, including the timing of the enquiries under way, and to consider what to do about timing of the next batch of prisoner transfers to the Republic (due any time) and about Roisin McAliskey (she has been committed for extradition and the ball is now in the Home Secretary's court).



**JOHN HOLMES**