The National Archives reference PREM 49/404

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From: John Holmes
Date: 19 December 1997

## PRIME MINISTER

## NORTHERN IRELAND

I mentioned to you that I had spoken to Trimble. I attach a copy of my letter to the NIO recording this, so that you can see his preoccupations. The main point of interest is his continuing caution about Heads of Agreement, although his suggestion of the parties simply taking note of a Heads of Agreement paper and moving on to discussion of the detail may prove a good idea. A lot obviously depends on the UUP's discussions with the Irish in the next couple of weeks. You said you wanted to speak to Trimble yourself before Christmas. I warned him you might try to do so. Would you like to set this up for eg Monday or Tuesday?

Meanwhile, you are seeing Ahern at the football match on Sunday. There is not much more you need to say to him on the talks front than you said in Luxembourg. You could usefully encourage a constructive exchange with Trimble, and try to reduce his expectations about what is likely to come out of them on the North/South front. The attached NIO note sets out their latest thinking. One outstanding question is whether we should give the Irish our Heads of Agreement text. On balance, I think we probably should. Do you agree?

Otherwise, it is possible that Ahern will raise with you prisoner transfers. The Irish legislation went through earlier this week, and the Irish Minister of Justice

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gave Jack Straw the necessary assurances about prisoners serving their sentences to enable the next lot of 6 transfers to go ahead.

However, with our agreement, Jack told the Irish that it would be too difficult actually to transfer the men before Christmas. This is for a combination of practical and political reasons. Practically, we <u>could</u> do it, but we would have to really push the system hard to do so. This is not sensible, given the increasing perception that we have been bending over backwards to help Sinn Fein, and the sharp Unionist and Loyalist reaction to the Irish decision earlier this week to release early 9 prisoners themselves. Press comment here has also become increasingly critical.

The prisoners involved in these transfers will therefore be notified early next week that their applications for transfer have been approved, but they will only be moved early in the New Year. This should be enough for the Irish, although they have pressed hard for transfer before Christmas. I suggest you take a reasonably robust line with Ahern if he presses. We have done pretty well by the Irish in the last few weeks, and are in danger of generating a backlash which will make further moves more difficult. They need to recognise this and not push us beyond what is sensible.

JOHN HOLMES