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From: John Holmes

Date: 27 November 1996

PRIME MINISTER

HUME/ADAMS

The position is messy, as we expected. We are under great pressure to publish our text and have agreed to do so tomorrow. But the Irish and the Americans (who do not yet know for certain that we will publish tomorrow but both of whom I have prepared for it) are pleading with us not to go ahead. They want us to rally instead to the latest US plan - essentially we would say nothing now, wait for the talks to be adjourned for a long Christmas break and then declare Sinn Fein could join after the break if they said and did the right things.

Irish officials are meanwhile meeting Sinn Fein again tomorrow evening. According to Teahon, the Taoiseach is not easily available to speak to you until 1230 tomorrow afternoon, and Lake will want to set President Clinton on you if we confirm our intention to go ahead and publish. If we go ahead, we can expect no support from either the Irish or the Americans.

I attach as background our text, the US plan and my latest letter to the NIO covering my discussions with Teahon and Lake.

The NIO advice in this situation is also attached. They propose that we add a section to a proposed covering statement to pick up the US/Irish ideas and attempt to put the ball firmly back in the court of Sinn Fein.

The idea is good. But I do not see how we could say what the NIO propose without seeming to retreat too far in the wrong direction. I therefore attach a suggested redraft which picks up the idea but is much less specific about timing

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etc. The NIO version would certainly go a long way to placate Irish/US opinion, but would infuriate the Unionists. Mine attempts to strike a balance. We could make clear in briefing that we would not exclude Sinn Fein joining the talks after the Christmas break if they said and did the right thing.

You will want to discuss first thing in the morning. Paddy Mayhew is unfortunately likely to be in transit from Belfast until shortly before Cabinet, after a 'plane problem this evening. He knows he will have to introduce the subject to Cabinet.

We will need to decide exactly how to handle the Taoiseach and Clinton. The latter should get a message from you - NIO will provide a draft first thing in the morning, which will aim to sound as conciliatory as possible, suggesting that we can accept the guts of their proposals and hope our statement will lead into this. I will also speak to Lake again as soon as he is awake tomorrow.

On the Taoiseach, you could either try to force through an early call, or I could speak to Teahon to put him fully in the picture, with you 'phoning after Cabinet. The latter is probably better.

For the rest, a detailed handling plan is coming together. I will not bother you with it all, but I attach Jonathan's note which explains how you might be involved. Again, we can discuss first thing in the morning.

Finally, a speaking note for Cabinet is also attached.

John Holmes

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