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From: John Holmes
Date: 24 February 1998

PRIME MINISTER

cc: Jonathan Powell
Alastair Campbell
Philip Barton

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NORTHERN IRELAND

I attach the long-promised note from Mo about strategy for the settlement and referendum. Frankly, it does not tell us much we did not know already. She has set a very ambitious timetable. Assuming a referendum on 7 May, a deal is required in the week ending 27 March. She also hopes to hold elections to the new Assembly before Drumcree (6 July).

On process, she hopes to agree a week of talks away from the obvious centres, perhaps in Wales. The UUP remain reluctant. Mo hopes you will sell this to Trimble on Friday.

The big issue remains how to negotiate a text. Mo falls back on the old stalwart of a joint British/Irish paper. This will not run, unless it is very carefully negotiated with Trimble (and others) in advance.

Mo also discusses how far the Government should campaign actively for a 'yes' vote in the referendum. She does not give a final view on this.

We might have a word about all this sometime tomorrow. I am all in favour of Mo setting a cracking pace, and getting the NIO geared up. But she may be on a totally unrealistic track at the moment. We could hold a referendum any time

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until mid-June. This would give us until early May to produce agreement. We should not advertise a slower timetable now, but you should have it in the back of your mind. It would mean postponing the elections to any Assembly until the autumn, and taking the risk that everything could unravel over the summer. But this risk is present in one form or another anyway.

On process, the next step is for you to have a detailed go through the issues with Trimble on Friday morning. We could then look over the weekend at the NIO's draft paper and take a view on how exactly we begin to negotiate a text with Trimble and others. We must in any case not allow the NIO to run off into negotiating a text with the Irish in some official group. That way lies disaster. *|| comment.*
But we will need to work up a clear line to take on this with Bertie on Thursday.

I think Mo is probably right about suspending judgement on how far you campaign actively for a 'yes' vote. There is a lot of water to flow under the bridge before then. The main requirement is that the NIO be fully geared up for the legislation etc.

Meanwhile, we face some tricky immediate issues, of which the biggest is whether/when you see Adams. As usual, he has manoeuvred us into a position where we are faced with an awkward decision, not him. I think we should continue to play it cool for the moment. Mo's inclination is to offer him a meeting with Adams after the date for their return to the talks. I see some attraction in this. We really cannot afford to run after Sinn Fein too obviously - and an early meeting will increase the chances of the Unionists walking out when Sinn Fein come back in. After the two latest bombs, their threats to do so have

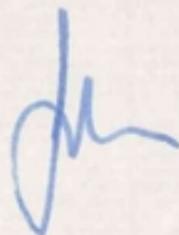
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become much more strident. Again, you need to talk to Trimble about this on Friday.

You will also see the UDP on Thursday. This is fine, but I fear we will need to set up quickly some other meetings with Northern Ireland parties. We should get to the SDLP before they ask, and also offer another meeting at some point to the PUP. Otherwise we are too much in the game of rewarding the bad boys.



JOHN HOLMES

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