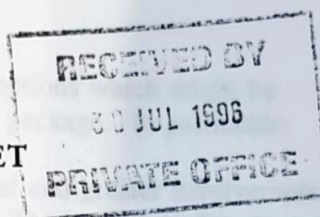




10 DOWNING STREET
LONDON SW1A 2AA



From the Private Secretary

29 July 1996

Dear Martin,

NORTHERN IRELAND: FUTURE POLICY OPTIONS

Thank you for your letter of 25 July and for providing the requested options paper so rapidly.

The Prime Minister has read the paper with interest. In general he agrees with Sir Patrick Mayhew's view that the review of options tends to underline the importance of keeping the present process on the road if at all possible. However, there is also no doubt that we need to plan for the worst.

The Prime Minister agrees that none of the options presented is likely to be attractive on its own and that therefore some combination of ideas is likely to be needed. Subject to that his initial views are as follows:

(a) Option (iii): Anglo-Irish co-operation

The Prime Minister is not attracted either by stepping up Anglo-Irish co-operation (para. 12) or ditching it (para. 15). There will be a continuing role for Anglo-Irish co-operation in the absence of agreement between the parties, but only in limited measure and in combination with moves in other areas.

(b) Option (v): pursuing a political accommodation

Clearly the pursuit of a political settlement cannot be abandoned. But a new multi-party initiative would be difficult to mount, and bilateral contacts are unlikely to take a new process far in practice, as you suggest. The Prime Minister is not attracted by the idea of pursuing a settlement over the heads of the parties, via a referendum or otherwise. Despite all the difficulties, we are condemned to negotiate a settlement, and cannot impose one.

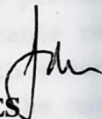
(c) There are elements in the other three options which might be worked up into a reasonably attractive package. In particular:

- more powers to local government and greater involvement in direct rule for local politicians. This must be a key part of the way forward.
- a further effort to reassure Nationalists about their place in Northern Ireland (your "parity of esteem agenda") is worthwhile on its own merits. But we would need to avoid elements which were unnecessarily provocative. Of those mentioned in the paper, a Bill of Rights, some further police reform, and independent involvement in adjudication of marches might all have a part to play.
- a balanced attempt to move forward on constitutional reform as set out in option (iv).

The Prime Minister would be grateful if these elements could be worked on further, to produce a more developed policy package for consideration in early September. Could a further (still short) paper reach us by Friday 30 August please?

I am copying this to Jan Polley (Cabinet Office).

Yours ever



JOHN HOLMES

Martin Howard Esq
Northern Ireland Office