

CONFIDENTIAL

- 2 -

NORTHERN IRELAND: OPTIONS

1 Declare Sinn Fein beyond the pale, withdraw our "offer", and move on without them

Comment: Tempting and in many ways justified. But we may still come to be seen as unreasonable or at least unreasonably quick to back off (what did we expect when there was no ceasefire?). We may have to come back to Sinn Fein if attempts to build a central alliance fail, as is only too likely. Could condemn all concerned to a further period of violence. And we cannot proceed with the building from the centre option without Hume..

2 Leave the offer on the table and await Sinn Fein's reaction

Comment: What Hume wants us to do. Offers maximum chance of a renewed ceasefire (assuming the Sinn Fein leadership wants one, which on balance it probably does). But very hard to defend publicly once it comes out - and do we still want to deliver on our offer of entry after six weeks? Can we trust them to act in good faith, after their behaviour over this?

3 Make public the paper we gave Sinn Fein, without actually withdrawing it

Comment: The option we are heading for on present thinking. But timing is crucial, and we need to be clear about our aim: is it to justify our own behaviour and expose Sinn Fein, or do we also still want to achieve a ceasefire and bring in Sinn Fein? If the former, this points to a rapid statement, on the basis that this is what Sinn Fein could have had; but then where do we go? If the latter also, there is a case for more time to elapse and a statement which pins Sinn Fein's appalling behaviour but also leaves the door open (and they could have come up with a ceasefire promise by then); but how can we justify that publicly after a terrorist act?

CONFIDENTIAL

CONFIDENTIAL

- 3 -

4 Add to our "offer" new conditions, eg that a new ceasefire must be declared to be permanent or some other proof of good faith.

Comment: Tempting and objectively justified. But are there conditions which are achievable? "Permanence" is not, and how else do you "prove" a ceasefire except through absence of action - unless through decommissioning (!).

5 Go back to Sinn Fein now, eg via Hume to say that the "offer" is still open, but only till Wednesday evening, and without further quibble, and that any further act of violence will scupper the proposal completely.

Comment: Would put us back in the driving seat, and be widely seen as justified. Would provide a better basis for a statement on Thursday, whatever their reaction. But would still leave us vulnerable to charges of running after Sinn Fein (and the problem of six weeks), and conversely, to the charge from Hume and the Americans, that we were being unreasonable. And what do we do if Sinn Fein don't bite?

6 Change the terms of the offer, eg extending six weeks to two or three months

Comment: Would show Sinn Fein that violence has costs and makes the terms of entry harder not softer. Would also make a ceasefire harder to achieve, and might be difficult to sell to Hume, the Irish and the Americans. But it would at least keep the option on the table and give a better chance of avoiding a relapse into full-scale violence.

None of these options is very attractive. 3 is probably still the best, on the basis of putting extra pressure on Sinn Fein, not closing the door on them. It could be combined with some variant of 5. I am asking NIO what they think, and for more ideas.

CONFIDENTIAL

CONFIDENTIAL

- 4 -

Comment: Would put us back in the driving seat, and be widely seen as justified. Would provide a better basis for a statement on Thursday, whatever their reaction. But would still leave us vulnerable to charges of running after Sinn Fein (and the problem of six weeks), and conversely, to the charge from Hume and the Americans, that we were being unreasonable. And what do we do if Sinn Fein don't bite?

6 Change the terms of the offer, eg extending six weeks to two or three months

Comment: Would show Sinn Fein that violence has costs and makes the terms of entry harder not softer. Would also make a ceasefire harder to achieve, and might be difficult to sell to Hume, the Irish and the Americans. But it would at least keep the option on the table and give a better chance of avoiding a relapse into full-scale violence.

None of these options is very attractive. 3 is probably still the best, on the basis of putting extra pressure on Sinn Fein, not closing the door on them. It could be combined with some variant of 5. I am asking NIO what they think, and for more ideas.

CONFIDENTIAL