CONFIDENTIAL There afreed, subject to your views, that he Stowe should also attend this meeting. Rund 9/5 Ref. A02132 PRIME MINISTER Northern Ireland Following the Home Secretary's letter to you about Northern Ireland on 7th May, you are due to have a meeting with the Home Secretary, Lord Chancellor, Foreign and Commonwealth Secretary, Secretary of State for Northern Ireland and Mr. Hayhoe on Monday, 12th May. Although the group will wish to seek your views on all the numbered points set out in the Home Secretary's letter, their greatest immediate concern relates to sub-paragraph vi your forthcoming meeting with Mr. Haughey. There seem to me to be three possible levels for progress on and in 2. Northern Ireland: The continuing effort by Her Majesty's Government to reduce inter-(1)community tensions and lay the foundations for an acceptable constitutional settlement which returns legislative and executive powers to political institutions in Belfast - the course on which we are at present engaged. Some kind of deal between the Unionists and the SDLP: unlikely, though (2)given the right personalities it just might emerge as a by-product of (1). An arrangement between London and Dublin - at the risk of explosive (3) consequences in Northern Ireland and at Westminster. NO Mr. Haughey is clearly after the last of these. He sees you as a 3. pragmatic statesman, likely to respond to his own willingness to contemplate hitherto unthinkable developments in the relationship between the United Kingdom and the Irish Republic, in the context of which (in his vision) the fears of the majority in Northern Ireland might be allayed; and perhaps ready, in the interests of a London-Dublin alliance, to contemplate a modification of the guarantee to the people of Northern Ireland. On this last point, you will have to disillusion him. But how you do it will be very important, because he is in a position to make life more difficult for us in the North, both on security and in the political discussions, if he thinks that his ends will be served thereby. -1-CONFIDENTIAL

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- 5. On the security side, he has markedly intensified the Garda's antiterrorist effort not only in cross-border co-operation but also in self-motivated activities in the South which have led among other things to important arms finds. This represents a big improvement in the security situation which is saving lives. He would obviously weigh the political dangers for himself of being seen or thought to be reversing this development and increase the violence. But if he thought that it would serve his political interests to do so, he could do it without any overt move at all: a hint from his office to the Commissioner of the Garda would be enough.
- 6. On the political side, the SDLP take their lead from Dublin, and will dance to Mr. Haughey's tune. He can use his influence to lead them to continue to participate in the Secretary of State's constitutional talks and any elections that may follow. Or he could, again without any overt move, destroy the prospects of any further progress in the Secretary of State's political talks in the North; indeed, he could destroy all that has so far been achieved. Again, he would obviously calculate carefully before doing so; but he has the capacity to do it.
- 7. So you will have a difficult game to play with Mr. Haughey: you will be having to pour cold water on some of his more far-reaching ideas, without rebuffing his desire to contribute to the resolution of the Northern Ireland problem; and at the same time you will need to persuade him to continue to give the support he has been giving to the improvement of security and to the progress of the political discussions in Northern Ireland.
- 8. So far as handling the meeting on Monday is concerned, you may like to work through the numbered points in the Home Secretary's letter. Your discussion might usefully cover the following points of detail:-
 - (i) In this sub-paragraph the Home Secretary suggests that the proposals should give "a firm and clear indication of the direction we intend to follow". But the Secretary of State for Northern Ireland has in mind a Green Paper with subsequent discussion and negotiation. Are these two aims really compatible? How will the Government's supporters react to a Green Paper?

CONFIDENTIAL (ii) This proposed timing for the publication of the proposals seems But, with the proposals now "Green", and the Secretary of State's conference scheduled to resume in September, there must be a high risk of missing the 1980-81 Session and not being able to legislate before 1981-82. (iii) The steps proposed here seem sensible but you may wish to ask how the Official Unionist Party will be brought into the negotiations. answer may be to suggest that the resumed Conference should be under your chairmanship. (iv) This sub-paragraph is really an acknowledgment that there is no certainty that the proposals put forward are going to succeed. in turn underlines the importance of the attitude of the Official Unionist Party and of the SDLP and, in connection with the latter, Mr. Haughey. (v) This sub-paragraph about the role of the Army in Northern Ireland underlines the desirability of keeping Mr. Haughey sweet for as long as The greater the extent to which the security situation can be got under control in the next few months, the better is the chance of preventing a resurgence of terrorism later if the political negotiations break down. (vi) This deals with your forthcoming meeting with Mr. Haughey and represents the most important part of this meeting. Points emerging from the discussion in this meeting will be reflected 9. both in the briefs for your meeting with Mr. Haughey and in the drafting of the Green Paper in which the Secretary of State for Northern Ireland is currently engaged. (Robert Armstrong) 9th May, 1980 -3-CONFIDENTIAL