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THE WHITE HOUSE
WASHINGTON

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July 27, 1984

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SIGNED

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT C. MCFARLANE *RCM*
SUBJECT: Reply to Ambassador Price

Charlie Price has sent you an Economist article highly critical of Mrs. Thatcher's foreign policy management style. Charlie also adds his own candid, personal view that her management style, i.e., her disregard of the views of others, is becoming progressively worse.

Your reply thanks Charlie for his candid views and notes that at least some of the Economics allegations remind you of U.S. media criticism of yourself.

RECOMMENDATION

OK No That you sign the reply to Ambassador Price.

RR _____

Attachments

- Tab A Reply to Ambassador Price
- Tab B Price's Incoming

*598-002 #630
CAS 7/28/84*

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THE WHITE HOUSE
WASHINGTON

July 31, 1984

Dear Charlie:

Thank you for sending me the Economist article concerning Mrs. Thatcher's foreign policy management style. I also appreciate receiving your candid and thoughtful personal views.

I must admit that the Economist article, in some ways, reminded me of U.S. media criticism of my policies. Margaret's perseverance and persuasiveness, in my view, have always been among her greatest strengths. At the same time, I am sure you are right in saying that she must be alert to not being isolated in her own Cabinet.

Thank you for keeping me informed about the situation in the U.K.

Sincerely, *R*

P.S. Nancy sends her love & from both of us to Carol.

The Honorable Charles E. Price, II
U.S. Ambassador to the United Kingdom
United Kingdom
London

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598-002 #609
CS 7/21/00

Herself



Margaret Thatcher as foreign policy maker

The reduction in Britain's EEC budget bill is more than anybody in Britain or the rest of Europe would have thought possible five years ago. That much is a tribute to the unusual kind of prime minister that Mrs Margaret Thatcher is.

Yet the whole of this latest bout of British budget bargaining in Europe puts a question-mark over Mrs Thatcher as a foreign policy maker. She knows she wanted more and thought she could get more. Her bargaining power went when she lost control of her party over withholding payments to Brussels; so her supporters in Britain are left disappointed, her opponents to make capital from her discomfiture. A modest budget benefit for Britain, but the ceiling on EEC spending breached, the farm policy trimmed not reformed. This has gained her little in the rest of Europe.

More than instinct, but less than finesse

In the compromise she made at Fontainebleau—and notably in the skilful pre-emptive concession she made on figures (see page 47)—Britain's European partners have seen that Mrs Thatcher's reputation for pragmatic reasonableness at the end of the day is deserved. Outweighing that, however, they see a perennial bluffer whose bluff can be called, a kneejerker whose knee can be stroked; and somebody who has soured European politics through months and years at a time when world events badly required it to be sweet, all for a deal that could (such things are always easier in retrospect) have been struck much earlier.

The rest of Mrs Thatcher's foreign policy record is a budget affair. She can be accused of it, rightly, over Hongkong, where her premature lurch into the breach helped not a bit. And but for Lord Carrington's and Lord Harech's well-timed persuasion, she probably would have been accused of it over Zimbabwe.

The book is not all written. In common with all sufferers from Downingtreetitis, Mrs Thatcher has

similarly mixed one. Her relationship with the United States is not what conservative common ground and personal liking for the present president suggest. Uneven response, impatience mixed with courtship, simple lack of knowledge have reduced Mrs Thatcher's influence over economic and foreign policy in Washington. Unconsulted over Grenada (and badly briefed by her own advisers) she allowed the heat of the moment to boil her reaction out of all proportion, thereby offending an America whose massive secret arms supply helped win her the Falklands war. Smiles are back in fashion, but fundamental sympathy and trust for her in Washington have gone, probably for good.

Her conversion to being a good European itself dates from her assessment in opposition that post-Nixon, post-Vietnam America was a jumpy, if essential, ally that could not always be relied upon. Yet Mrs Thatcher has patently failed to convince anybody that she is really a "good European" either. Her east European policy is, equally, not coherent. She discarded her iron lady's clothing last autumn, she has visited Hungary. The door to Moscow has been ajar since she mentioned Russian sacrifices during Hitler's war. But she cannot easily walk through it without undermining Mr Reagan—and all she stands for herself. As for a Thatcher foreign policy in the world beyond Europe and America—to compare with, say, President Mitterrand's in Africa—it does not seem to exist.

There is plenty of sound instinct in Mrs Thatcher. Of timing and strategic sense there is little. She can be accused of failure, rightly or wrongly, over the Euro-caught the foreign policy bug, but only recently. She has one thoughtful long-range adviser, but her attempt to equip Downing Street with its own foreign policy centre falls between every stool: a suitable idea in the hands of unsuitable people. And, as in so much else, Mrs Thatcher's central strength in foreign policy making is her central weakness: herself.