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10 DOWNING STREET .

From the Private Secretary

MR. HANCOCK
CABINET OFFICE

30 MAY MANDATE: NEXT STEPS

The Prime Minister saw your minute of 30 April and the minute of 1 May from the Foreign and Commonwealth Secretary over the weekend. I had also conveyed to her orally the views of the Chancellor of the Exchequer on your recommendations. Sir Geoffrey Howe did not believe that the concession proposed was necessarily the right one; and he considered that now was the wrong moment to offer a concession and that Tindemans and Thorn were the wrong people to offer it to. He also found implausible the last sentence of paragraph 4 of your minute, believing it unlikely that after the American decision to come down on our side over the Falklands, our partners would refuse to renew sanctions.

In the light of these views, the Prime Minister (as the FCO were informed on 2 May) decided that it would not be right for Mr. Hurd to visit Brussels for the purpose proposed. She minuted that she did not think the United Kingdom should make any concessions until the final negotiations, since we should only be driven to offer more at that time. The Prime Minister did, however, agree that the message to Chancellor Schmidt should be despatched (which I asked the FCO to arrange on 2 May).

I am sending copies of this minute to Brian Fall (FCO), John Kerr (HM Treasury) and David Wright (Cabinet Office).

A. J. COLES

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4 May 1982