CONFIDENTIAL



fu cipa

10 DOWNING STREET

From the Private Secretary

2 July 1985

a MASTER SET

Dear Culin,

PRIME MINISTER'S MEETING WITH THE CHAIRMAN OF THE GERMAN SOCIAL DEMOCRATIC PARTY

The Prime Minister met Dr. Vogel this morning.

In response to the Prime Minister's invitation to give an account of the prospects for the German Social Democratic Party Dr. Vogel said that the SPD had overcome the difficult years of 1980-82 and its 1983 election defeat. They had recently had successes in Land elections though he did not over-estimate the significance of these. In his assessment, the 1987 Federal elections were open with a reasonable chance for a change of government.

Commenting on developments in East/West relations, Dr. Vogel said that there had been great changes within the GDR. Views were openly expressed in a way which would have been inconceivable even five years ago and the Protestant Church had far more freedom. As regards the Soviet Union, Herr Brandt had recently met Mr. Gorbachev. He believed that Mr. Gorbachev's succession marked a distinct generation change in the Soviet Union which would bring in its wake changes in Soviet society. He expected Mr. Gorbachev to give priority to reform of the Soviet economy, and did not expect any major changes in foreign policy, although there had been some interesting small moves. In particular, Mr. Gorbachev had said to Herr Brandt that he was more aware than his predecessors of the particular role of Western Europe and wished to see greater contacts with West European governments. The Prime Minister commented that Mr. Gorbachev was a very skilful politician and had to be taken very seriously. But she did not think he could risk significant change in the Soviet system without undermining his own and the Communist Party's power. Dr. Vogel hazarded that Mr. Gorbachev knew more about the Western way of thinking than any of his predecessors. The Prime Minister suggested that he might know without comprehending. Dr. Vogel and the Prime Minister agreed on the importance of encouraging visits to and from Eastern Europe as a means of giving encouragement to ordinary people there.

Dr. Vogel commented briefly on developments in the European Community, commenting that the SPD was a pro-European party. He thought that the Federal German

CONFIDENTIAL

-2-

overnment's preparations for the recent European Council ad been inadequate, particularly in presenting its proposals at such a late stage. His party had been opposed to the Government's use of the veto over cereals prices. The Prime Minister said that she had gone to the Milan European Council ready to take decisions to complete the work on which the Community had embarked at the Stuttgart European Council. She had expected success. Instead there had been a mess. Dr. Vogel said that the European idea had a vital role to play in maintaining cooperation between West European countries and in holding out hope to the people of Eastern Europe. He urged the Prime Minister not to lose patience with her European colleagues and what must appear to be their obsession with European union.

you siwely

C.D. POWELL

C.R. Budd, Esq. Foreign and Commonwealth Office.