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NOTE FOR THE RECORD

NOTE OF A CONVERSATION BETWEEN THE PRIME MINISTER AND
THE FOREIGN AND COMMONWEALTH SECRETARY ON FRIDAY 15 OCTOBER

The Prime Minister had a talk with Mr Pym on Friday 15 October about her need for more advice on foreign, defence and intelligence matters within her Office. I was present.

The Prime Minister said that her experience over the last three years, culminating in the Falklands operation, had demonstrated to her that she needed help within her Office on foreign, defence and intelligence matters similar to the help which she received on economic matters from Professor Walters.

The Foreign Secretary said that he found it difficult to understand why she had not consulted him previously on this matter, especially in view of his declared opposition to a foreign affairs unit. If the Prime Minister did not have sufficient advice, arrangements should be made for her to have it, but he was concerned that this should not be in a form which would create divisions between her and himself. He was already disturbed by reports of such divisions. He had hitherto had no idea of what precisely the Prime Minister had in mind.

The Prime Minister said that she was surprised that anyone should contest her wish to have more support on these matters within her own Office. She had in mind asking Sir Anthony Parsons to help her on foreign affairs and someone else, possibly Sir Frank Cooper, to help with defence and intelligence. They would be special advisers, and could not be described as a "unit".

The Foreign Secretary said that he accepted that something had to be done about intelligence, designed to ensure that action was taken on reports and assessments: he regarded this as a separate matter. In the field of foreign affairs he was

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opposed to the appointment of someone as eminent as Sir Anthony Parsons who would provide an alternative focus for the attention of the diplomatic community and whose appointment would therefore create differences between No 10 and the Foreign Office. He had consulted his Foreign Office Ministers on a personal basis, and they shared his view.

The Prime Minister said that she needed someone for whom she had a high personal regard and who would carry the same weight on foreign affairs as Professor Walters did on the economy. She had thought that Sir Anthony Parsons would be more welcomed by the Foreign Office than someone they knew less well. An alternative would be to draw on her present contacts from outside, but she thought that would be more difficult for the Foreign Office. She feared that Sir Anthony Parsons might have been discouraged by the FCO from accepting the appointment; but she would like to see him in the following week and discuss it with him. She did not want differences to be created between herself and Mr Pym and thought it a good idea that he should follow Lord Carrington's practice of coming in for informal talks, say, once a fortnight, or of coming to her room in the House of Commons.

The Foreign Secretary said that it was helpful to him to have been given an idea of what the Prime Minister had in mind. He would now like to think about what she had said and how her needs might be met. The Prime Minister interjected that it would be unacceptable to have someone who was not part of No 10 and not directly answerable to her. Mr Pym said that he accepted that and had not suggested the contrary. But he would like the weekend to reflect on what the Prime Minister had proposed and would then come back to her with his comments.

F.R.B.

18 October 1982

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10 DOWNING STREET

John Coler

Please see the attached.

I propose to keep it in my
cupboard for the time being
and not show it to anyone
else.

F. R. A.