

PRIME MINISTER

MS

FOREIGN POLICY

There is a danger of a number of foreign policy matters going wrong over the next few weeks and months - and therefore of the Government's foreign policy looking rather unimpressive.

None of what follows will be new to you. It is the coincidence of a number of matters which is rather worrying:-

(a) Hong Kong

It looks as though we may be in for a much more difficult period, with a possible parting of the ways between EXCO and HMG and an intensified debate in the United Kingdom. Our policy of maintaining confidentiality on these negotiations has served very well over the last year and I think we should be very wary of going in for elaborate briefing of the British press from now on.

(b) INF

The recent Italian and Danish positions are thoroughly unsatisfactory - and you are aware of the Dutch difficulty.

(c) Libya

If Qadaffi moves against the British community, we may have great difficulty in doing anything about it - and there is already hostile press criticism of alleged FCO lethargy.

(d) East/West Relations

If the expulsion which we discussed earlier today goes ahead, and the Russians react adversely, much of the good work which you did in Hungary and Moscow may be threatened.

CONFIDENTIAL

- 2 -

(e) European Community

There could be a settlement at the June European Council. But if there is not, this part of our policy may come under criticism.

(f) Argentina/Falklands

There is a paper in your box this weekend. But it looks less and less likely that we shall have talks with the Argentines.

(g) Cyprus

This situation has deteriorated again.

We have to treat each of the above issues on their merits. But I thought it just worth drawing to your attention the fact that a number of matters could go wrong at roughly the same time - with the Foreign and Commonwealth Secretary's life being made particularly difficult.

A. J. C.

11 May 1984

cc: Sir Percy Cradock