

SUBJECT

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c. Sir P. Cradock  
FERIS

NOTE FOR THE RECORD

FOREIGN POLICY

The Prime Minister reflected aloud on 20 July to Percy Cradock and to me on a number of current problems of our foreign policy. The following records the main points which she made.

The Prime Minister believes that our major diplomatic effort, despite the settlement reached at Fontainebleau, will have to continue to be made in Europe. She is in particular concerned that enlargement of the Community will alter both the North/South and the conservative/socialist balance within the Community, will vastly increase the problem of agricultural surpluses, and will therefore worsen the Community's financial problems. She is also concerned by the growing weight of the Franco/German axis and our exclusion from it. She dislikes the way in which other Member States continue to harp on vague, general statements about European union, common symbols etc, rather than addressing the serious problems. She feels that we need to work out a strategy for dealing with these problems and one which will, in particular, ensure that we are part of the effective inner directorate of an enlarged Community.,

On East/West relations, the Prime Minister does not see scope for much further progress at present. She remains keen to get Gorbachev here. She thinks it would be useful to send one or two younger members of the Government to visit the Soviet Union, in the hope that they would be allowed to travel outside Moscow, while accepting that the chances of the Soviet authorities agreeing to this on any other than very restrictive terms are limited. While she hopes that at some point it will be possible for her to visit Poland, she agrees that it is still too early for this.

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On arms control issues, the Prime Minister is unrepentant that we need to have a far better grasp of the technical issues involved in limiting ASATS before we formulate a policy. She is ready, rather reluctantly, to look again at proposals for strengthening the non-proliferation required in time for the 1985 review conference.

In the Pacific, the Prime Minister is keen to develop and build on her relations with Mr. Nakasone and wants thought to be given to steps which will enable her to do this.

In the Middle East, the Prime Minister is much concerned to influence any initiative by the American Administration after the Presidential Elections and wants us to keep in the closest touch with the Americans about this. She would prefer us to do so bilaterally rather than try to work through the European Community.

The Prime Minister remains concerned at the possibility of a US invasion of Nicaragua after the Presidential Elections and the dilemma with which this would confront the UK. Her instinct would be to support the Americans but she feels that we need to reflect further on the intellectual justification for such a position.

On the Falklands, the Prime Minister agrees that our initiative to discuss normalisation of relations was worthwhile and should improve our position internationally (without any expectation that it will affect debate in the United Nations in the autumn). But she does not now see how matters can be carried forward for some considerable time in the light of the position taken by the Argentinians.

The Prime Minister considers that we have not paid sufficient attention to Turkey and to ensuring that it remains firmly bound to the West. She would in principle

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like to visit Turkey, though recognises the difficulties this could cause, vis-a-vis Cyprus.

Finally, the Prime Minister said that she would like to take up Mr. Mugabe's invitation to visit Zimbabwe as soon as this could be fitted into her programme.

C.D.P.

23 July 1984

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