

Jee. Master sur.

## 10 DOWNING STREET

From the Private Secretary

25 November 1980

Sear Paul,

## Prime Minister's visit to the Vatican

During her visit to the Vatican yesterday morning, the Prime Minister discussed international affairs with Cardinal Secretary of State Casaroli. The Permanent Under Secretary and Sir Mark Heath were also present. I have recorded separately the discussion about Northern Ireland.

In the course of a general discussion of the world situation, the Prime Minister commented on the importance of Europe's position as an area of stability in the world. Cardinal Casaroli agreed about the need to ensure that Europe's contribution to a solution of the world's difficulties was not lost. International life had reached a very critical point. The Europeans needed to draw on their long experience to look into the heart of problems. was regrettable that we had to rely on the balance of terror between the USA and the USSR to ensure some degree of stability but this was, at least, better than nothing. Commenting on Governor Reagan, Cardinal Casaroli said that he did not question his goodwill but he wondered about how deep his political wisdom was. However he knew that Governor Reagan was a good listener and had some good advisers. This was a source of confidence. the Europeans would certainly have a role to play; the United States needed their help. The Prime Minister described her talk the previous day with Chancellor Schmidt and said that she was optimistic. She thought that Mr. Reagan would prove himself to be a man of peace. He would give a strong lead. But he would, of course, wish to see reciprocal action by the Soviet Union. She agreed that the Europeans could influence the situation if they were clear and consistent in their policies.

In response to a question from the Prime Minister, Cardinal Casaroli said that the Vatican was studying developments in East/West relations very closely. They regarded religious freedom as indivisible and as something which could not be separated from ordinary human freedoms. Representatives of the Holy See intervened only discreetly in Madrid, but when they did so it was to make this point. They did not regard the Orthodox Church in the Soviet Union as free. In response to an observation by the Prime Minister that oppression in the Soviet Union had increased since Helsinki, Monsignor Silvestrini said that there had been

improvements between Helsinki and Belgrade but a setback subsequently. There was a sense in which Helsinki had raised too many hopes. People had expected more and more, and regimes in Eastern Europe had had a "reaction of rejection". The attitude of the US delegate in Belgrade, Mr. Arthur Goldberg, had not been helpful. He had tended to think of everything in terms of the position of Jews in the Soviet Union. The Soviet invasion of Afghanistan had, of course, changed the situation greatly. Cardinal Casaroli said that none the less some things had been won. There had, for instance, been a substantial improvement in the distribution of religious literature in the vernacular in Communist countries since Helsinki. The Prime Minister commented that it was important not to be satisfied with too little.

In the course of the brief exchange on the status of Jerusalem, Cardinal Casaroli said that the Holy See supported a solution based on internationalisation. This was the only way to safeguard the future of a city which had been "given to the world". However, the Holy See did not make a dogma of this and avoided using the word 'internationalisation'. They contented themselves with saying that the city should have a special status under which equality of rights would be ensured for the various religions concerned with the city.

Johns ever Nahal Hexander

Paul Lever, Esq., Foreign and Commonwealth Office.