

PREM 19/943

PART 2 ends:-

AJC to US Ambassador 1-7.82

PART 3 begins:-

fcw to AJC 1.6.84



USA JP

10 DOWNING STREET

From the Private Secretary

1 July 1982

I write to acknowledge with thanks your letter of 28 June to the Prime Minister about the recent visit of President Reagan. I have placed your letter before Mrs. Thatcher.

A. J. COLES

His Excellency The Honourable John J. Louis, Jr.

A



EMBASSY OF THE UNITED STATES OF AMERICA
LONDON

June 28, 1982

The Rt. Hon. Margaret Thatcher, MP
Prime Minister
10 Downing Street
London, SW 1

Dear Prime Minister:

Thank you very much for your hospitality during the visit of President Reagan. As I am sure the President has told you, he was delighted with the arrangements, and found his meetings with you particularly useful.

May I extend to you as well from all the members of the Embassy staff our appreciation for the cooperation and courtesy shown by all those in Her Majesty's Government with whom we worked in ensuring the visit's success. They made the task not only much easier but also much more rewarding.

With best wishes.

Sincerely,

John J. Louis Jr.
Ambassador

United States (Prime Minister's Visit)

3.30 pm

The Prime Minister (Mrs. Margaret Thatcher): With permission, Mr. Speaker, I will make a statement on my visit to New York and Washington yesterday.

In New York, I addressed the United Nations special session on disarmament and had discussions with the United Nations Secretary-General and the President of the General Assembly. I have placed in the Library a copy of my speech to the special session. I emphasised that disarmament, properly defined, is the balanced and verifiable reduction of armaments in a manner which enhances peace and security.

As regards nuclear weapons, I welcomed President Reagan's radical proposals for substantial cuts in strategic weapons and for eliminating a whole class of intermediate-range systems—the zero option. I called for a balanced reduction in conventional weapons; commended the fresh proposals which are being made in the Vienna talks on mutual and balanced force reductions; urged a new impetus for a convention banning the development and possession of chemical weapons; and advocated a special effort to agree on new mandatory confidence and security-building measures in Europe.

Throughout, I emphasised the need for stringent verification of arms control agreements. And I expressed my conviction that the aim of all these measures must be to defend the values in which we believe and to uphold international law and the United Nations charter. We have a right and a duty to defend our own people whenever and wherever their liberty is challenged.

In my discussions with Mr. Perez de Cuellar, we reviewed the prospects for a ceasefire in the Lebanon and discussed how such a ceasefire could be maintained.

I gave the Secretary-General an account of the present situation in the Falkland Islands. I emphasised our wish for a permanent cessation of hostilities, though I have to report that so far the Argentine's response has been negative. I also referred to the repatriation of well over 10,000 prisoners, but I explained that we could not return them all until we were satisfied that hostilities would not be reopened. The Falkland Islanders would be preoccupied for some time to come with the task of reconstruction, none the less, Britain would in due course seek to bring the islands to full self-government. Mr. Perez de Cuellar stated that he remained ready to act as a channel of communication between Britain and Argentina, if this would help.

My talks with Mr. Kittani, the President of the General Assembly, were devoted mainly to the special session and Middle East matters.

I was particularly glad to be in New York during the last week of Sir Anthony Parsons' term of service as our representative at the United Nations. His contribution and abilities have been widely and rightly praised. [HON. MEMBERS: "Hear, hear."]

Subsequently, at the invitation of President Reagan, I visited Washington where we had valuable and friendly discussions. We discussed at some length the tragic situation in the Lebanon. The President described the latest American efforts, through Mr. Habib, to promote a solution. We also discussed the current situation in the Falkland Islands. I emphasised our wish to do all we can to promote peace and stability in the South Atlantic. The

President repeated his view that our action to repossess the islands had been taken to uphold the vital principle that aggression should not pay.

We discussed East-West relations. The President explained that his recent decision to extend restrictions on trade with the Soviet Union had been based on the principle that normal relations with that country were not possible so long as there was no progress towards liberalisation in Poland. I endorsed the need for such progress while reiterating the reasons why we thought existing commercial contracts should be exempted from the American restrictions.

I also conveyed the concern felt in this country, and elsewhere in the European Community, at the decision by the United States Government to impose countervailing duties on steel imports from the Community.

Finally, I expressed my gratitude for the impressive success of the FBI in defeating attempts by the Provisional IRA illegally to purchase weapons in the United States of America and to export them for use in Northern Ireland.

Mr. Michael Foot (Ebbw Vale): May I express our concurrence with the representations that the Prime Minister made on those last two matters? All of us should join in the tribute that she paid to Sir Anthony Parsons, because he played a conspicuous part in securing support for resolution 502. We certainly wish to congratulate him on the part that he played.

Some of the matters that the Prime Minister raised will be discussed in coming weeks, but I should like to press her on the discussions that she may have had with President Reagan about the Lebanon and the extremely critical situation there. Did she support the proposal for maintaining a United Nations peacekeeping force in Lebanon? What proposal will she and President Reagan put forward to secure that? What other measures should be taken? Does she agree with the President about trying to re-establish the rights of the State of Lebanon and will she give us an account of that?

The report that the Prime Minister has given us today about her speech on disarmament had a slightly better tone than the original speech. Are the proposals that she made and those outlined in her statement the beginning and end of the proposals that the Government intend to put forward at the disarmament conference? We believe that there should be a debate in the House on the special session and discussions about the further proposals that the British Government should advance. At the special session, did she put forward disarmament proposals that differ in any way from those put forward by the President of the United States? Finally, will she consider fresh representations on disarmament to try to make the special session a success?

The Prime Minister: The right hon. Gentleman has asked me about the Lebanon. Yesterday a ceasefire was negotiated. It was the eighth ceasefire during the sad and tragic sequence of events. However, I believe that it has now been broken. Obviously our great desire is to stop further fighting in West Beirut and on the main road to Damascus. Mr. Habib continues to make efforts to achieve a ceasefire that will hold.

Most people wish to see once again a fully independent Lebanon under the control of its own strong Government. It is easy to say that, but, as the right hon. Gentleman knows from Lebanon's history, it is very difficult to obtain. However, although it will not be easy, we must

Mr. Foot: Will the right hon. Lady reconsider the answer that she gave to my right hon. Friend the Member for Cardiff, South-East (Mr. Callaghan)? Does she not understand her responsibilities in this matter? Is she suggesting that she can shuffle off those responsibilities on to others, because the Labour Government dealt with them in a very different way from her own way? Does she mean to say, against the background of the letter that she wrote to Mrs. Nichols and the message that she received from Captain Baker, that all the signs were not there? Can she tell us why she neglected those signs?

The Prime Minister: Judging from what the right hon. Gentleman said throughout the Falklands affair and judging from what some of his hon. Friends have said, the fact is that a Labour Government would never have fired a shot—

Mr. Winnick: Rubbish.

The Prime Minister: My letter to Mrs. Nichols was written in the early part of February. We were at that time doing exactly what I believe that right hon. Gentleman would have wished us to do. We were in negotiations with the Argentines. Two or three weeks after the letter was written we met the Argentines in New York. That meeting was described in a communiqué as cordial and friendly. It took place two or three weeks after the letter was sent.

Mr. Graham: You were conned.

The Prime Minister: Finally, the Argentines landed on British sovereign territory during the lifetime of the Labour Government. In spite of what the official Opposition say now, the Labour Government did nothing about it.

Mr. Foot: The right hon. Lady has a jaundiced view of the history. We will have all that out in the inquiry. I wonder whether the right hon. Lady will answer a direct question about her own responsibilities. Captain Barker said that all the signs were there. Does she agree with him?

The Prime Minister: That was in relation to "Endurance"—[HON. MEMBERS: "Answer".] As the right

hon. Gentleman knows, I am willing and anxious to have every single bit of evidence—[HON. MEMBERS: "Answer".]—before an inquiry. I do not wish to hide everything. I wish everything to be out, including every single thing under this Government and previous Governments.

Mr. Shersby: Does my right hon. Friend recall that the Marines were stationed on the Falkland Islands following a landing by a group of Argentines who described themselves as the Condor Group? Does she further recall that those Argentines landed on the race course in a hijacked Aerolíneas Argentinas DC3? Does she agree with me that the level of defence that was provided by the Marines following that incident was quite consistent with the threat that was posed by those people?

The Prime Minister: My hon. Friend has put the facts, and I agree with him.

Q 4. **Mr. Joseph Dean** asked the Prime Minister if she will list her official engagements for Thursday 24 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Dean: Will the Prime Minister arrange today for copies to be made available of any correspondence that has been received complaining about the inefficiency or conduct of the four distinguished chairmen of health authorities that the Secretary of State for Social Services has decided not to reappoint? If no such correspondence has been received, why did the right hon. Gentleman make that despicable and partisan decision?

The Prime Minister: At the end of the contracts of service of those appointed to the National Health Service, my right hon. Friend the Secretary of State decided not to renew some of them, but to renew others. He is perfectly entitled to do that. Previous Governments have done the same thing. Among those who hold office there are some Conservatives, some Labour Party supporters and some who have no politics at all.

continue to try. The life of the UNIFIL forces has been extended by two months by a United Nations resolution that we voted for. It is important to try to keep them in position and to encourage various nations to take part.

The disarmament proposals that I put forward were pretty comprehensive and covered nuclear, conventional and chemical weapons. I congratulated those who had negotiated the agreements on outer space and on the sea bed and I also called for further confidence and security-building measures. There was not much that was not covered.

Several Hon. Members *rose*—

Mr. Speaker: I remind the House that there is a further statement, and that the main business is covered by an allocation of time motion. Therefore, I propose to allow questions only until five minutes to four, by the clock.

Mr. David Steel (Roxburgh, Selkirk and Peebles): I endorse what the Prime Minister has said about Sir Anthony Parsons, who has had both a distinguished and a strenuous period of service at the United Nations. During the Prime Minister's talks at the United Nations, was there any discussion about strengthening the mandate and the organisation of the United Nations peacekeeping forces? Does the right hon. Lady have any hope that the permanent members of the Security Council will take some action about that?

The Prime Minister: No. I am afraid that it is one of the ironies and tragedies that the mandatory resolutions of the Security Council cannot be implemented because the United Nations does not have its own peacekeeping force. I do not know anyone who sees any immediate possibility of securing such a peacekeeping force.

Sir Anthony Kershaw (Stroud): The whole House will endorse the Prime Minister's view that the development of the Falkland Islands is desirable. However, no State or financial institution will invest in the Falkland Islands if there is any prospect, however remote, that the Argentines will resume sovereignty over the area.

The Prime Minister: I entirely agree with my hon. Friend. That has been one of the problems in securing sufficient investment and has stopped various Governments from making greater investment. It is one of the reasons why we shall have to consider the longer term defence of the islands. There is not the slightest shadow of a doubt that in the immediate future and the middle term that will have to be carried out by us.

Mr. Stanley Newens (Harlow): Did the right hon. Lady raise the question of the pernicious international arms trade that facilitated the supply of arms to Argentina in its aggression against the Falkland Islands, and facilitates the supply of arms to Israel while it invades the Lebanon? Is it not time that the right hon. Lady took action to stop the trade in weapons of death?

The Prime Minister: That matter was not discussed at the United Nations General Assembly yesterday. There have been various proposals made on a regional basis, but none of them has ever proved practicable. The hon. Gentleman is wrong if he suggests that there should be no supply of arms. Each and every nation has the right to defend its own people and territories. The fact that we sell arms helps us to have our weapons at a lower cost and keeps some 140,000 people in work.

With regard to the sale of arms to Argentina, as I said to the right hon. Member for Ebbw Vale (Mr. Foot) on Tuesday, Governments of both parties have sold arms to Argentina. We carried it on on the same basis—of considering the matter on its merits.

Dr. David Owen (Plymouth, Devonport): Is the Prime Minister aware that the Government will be judged, not by cheap jibes about whether they are ready to fire shots, but by whether they so conduct themselves that no shots need to be fired? The tone of the Prime Minister's speech in New York was such that it sounded more as if she wanted to beat ploughshares into arms. [*Interruption.*] Hon. Members should read the speech. Will the Prime Minister say whether in the two arms negotiations in which Great Britain should be playing a major part—the comprehensive test ban treaty and the mutual and balanced force reduction talks in Vienna—there has been one positive step taken during her Premiership?

The Prime Minister: The talks in Vienna have continued for over nine years—and that period covers rather a lot of Labour government. It is unfortunate that not much has been achieved. If the right hon. Gentleman takes a reasonable view, he will know why. We have found it difficult to obtain from the Soviet Union the actual numbers of forces they have in conjunction with the Warsaw Pact countries.

I am sure that the right hon. Gentleman will be extremely disappointed to know that the speech I made to the General Assembly received more applause than any other speech made during the last three weeks.

Sir Frederic Bennett (Torbay): Reverting to the tragic position in Lebanon, the Prime Minister will doubtless recall that a couple of days ago both Front Bench spokesmen emphasised that, however hard Europe might try, the main responsibility for ending the Israeli attack upon Lebanon lies with the United States of America. Did my right hon. Friend find that there was an awareness of that fact that can be speedily acted upon?

The Prime Minister: I agree with my hon. Friend. The only country that can bring pressure to bear upon Israel is the United States of America, and it is very much aware of that. I tried to get across the fact that if there is to be a proper solution of this problem there must be a solution to the problem of the future of the Palestinian people.

Mr. Dick Douglas (Dunfermline): Did the Prime Minister obtain from President Reagan an understanding that our defence role would be a North Atlantic role? Was there any intimation from the President that he would be willing to have United States forces in the Falkland Islands as we would be straining our international defence role if we had to garrison and keep naval forces there?

The Prime Minister: We did not discuss very much the possibility of a multi-national force in the Falkland Islands. I say "very much" because such a multi-national force is frequently mentioned. There is no possibility of having one for some months. It is too early to consider it.

Sir Bernard Braine (Essex, South-East): In her discussions with the President and the Secretary-General of the United Nations, did my right hon. Friend glean any evidence that they were aware of the utter unfitness of Argentina to have any control over the democratic Falkland Islands community? Did she remind them that among the thousands of people who had disappeared, most

[Sir Bernard Braine]

of whom had been tortured and killed, in Argentina—in the years that the Labour Party was in office—there were United Kingdom subjects, who can be named, and that successive British Governments had been pressurised by international communities into negotiating with Argentina? Did she make that plain to those two gentlemen?

The Prime Minister: I have made it perfectly clear time and again, both to the American Government and a number of others, that there is no question of sovereignty to negotiate. The islands are British sovereign territory and their people are British subjects who wish to keep their British way of life. There is nothing on sovereignty to negotiate. We negotiate on sovereignty only with the people of the territory itself. I pointed out to the United Nations that there are 45 nations in the United Nations who obtained their independence through us. I said that with us they enjoyed democracy, which is something that the Argentine citizens would love to have.

Mr. Ioan Evans (Aberdare): As the world is spending over \$500 billion on the arms race and there are 50,000 weapons with the destructive power of a million Hiroshimas, would the right hon. Lady address herself to the fears of mankind about the arms race and adopt a more constructive approach to reducing military expenditure? Will she withdraw the White Paper, "Statement on the Defence Estimates 1982", which embarks on a massive programme of spending on the Trident as well as £14,000 million on the arms race?

The Prime Minister: With regard to what the hon. Gentleman said about nuclear weapons, 90 per cent. of world expenditure is on conventional arms. There has been no nuclear warfare since the bomb was dropped on Nagasaki, but there have been some 140 conventional conflicts which have led to about 10 million deaths.

With regard to what he said about disarmament, of course people have fears. A few moments ago Opposition Members were accusing us of not having had sufficient armaments in the Falkland Islands and of that having attracted war.

Sir John Biggs-Davison (Epping Forest): On the issue of the equipment that my right hon. Friend did well to obtain from the United States, was she able to inform the President that Her Majesty's Government are compiling a record of Argentine war crimes, including the indiscriminate laying of mines which requires this equipment and the bestial pillaging by the soldiery of civilian property?

The Prime Minister: I gave the President a very full account of the situation in the Falkland Islands. I gave as much detail as I possibly could, incorporating some of the treatment of the islanders by the Argentine troops. I also told him of the great difficulty we were experiencing over the indiscriminate laying of plastic mines which cannot be detected. It is customary under the Geneva convention to mark the fields and positions where mines have been laid. That has not been done by the Argentines. There is also a disarmament convention which forbids the laying of plastic mines but, of course, the Argentine is not a signatory.

Mr. Frank Hooley (Sheffield, Heeley): Did the Prime Minister point out to President Reagan that it is grotesque for his Administration to encourage American farmers to earn millions and millions of dollars by exporting grain to the Soviet Union while it tries to put British workers out of work at John Brown by refusing permission for it to supply essential equipment for the Siberian gas line and also inhibits exports from Sheffield of important steel products?

The Prime Minister: As the hon. Gentleman will have gathered from my statement, I spoke strongly about John Brown's contracts. Normally, when new restrictions are put on trade, it is customary to exempt existing contracts. I pointed out the relationship with the wheat exports to which the hon. Gentleman has referred and the fact that these would be likely to continue. The President pointed out that there would be restraint on manufactured exports from the United States. Finally, I said to the President that if we were suddenly to have prohibitions from the United States on exports of vital parts of equipment that we need to export from here, people in future would not put orders with the United States because they would be liable to cancellation. All these points were made. I shall be taking the matter further.

Sir William Clark (Croydon, South): Is my right hon. Friend aware that the overwhelming majority of people in this country are delighted by the warm welcome that she received at the United Nations? Is this not proof that world leaders admire the firm stand that the Government took over the Falklands issue? Was the question of interest rates raised during her discussions with the President in order to accelerate the disappearance of the world recession?

The Prime Minister: The phrase most frequently used by those with whom I conversed afterwards was that the speech at the United Nations was realistic and balanced. They welcome both realism and balance in these matters.

I did not discuss interest rates with the President. I discussed them with a number of other people whom I met because the matter is causing us some concern. It is also causing some concern in the United States. It is stopping the very expansion that the United States needs. I made clear that we wish to have the deficit down because we are ready to take advantage of an expansion in world trade. We wish therefore to see American interest rates come down so that ours can stay down where they are now, or go lower.

Mr. James Lamond (Oldham, East): Since the United Nations' own specialist committee has reported that there is no problem on verification of disarmament, and since Mr. Gromyko, in his speech earlier in the session, said that the Soviet Union was ready to sign an agreement banning the development of all chemical weapons, that it was ready to make the statement unilaterally that the Soviet Union would never use nuclear arms first and that it was in full support of the freeze proposals put forward in the American Congress by Senator Edward Kennedy, what other steps are required before the right hon. Lady and the President of the United States are ready to talk meaningfully about disarmament?

The Prime Minister: Not all the problems over verification have been solved by a very long way. Words are not enough. There has to be readiness to have inspection on the spot. That is difficult to maintain.

There have been disquieting but fairly well documented reports that chemical weapons have been used in South-East Asia. We have urged the United Nations to consider the evidence. The hon. Gentleman mentioned the Russian undertaking not to use nuclear weapons first. I have pointed out that the more effective undertaking is that recently given by NATO not to use any of its military weapons to attack first. That is the undertaking we await from the Soviet Union—if it could be given with full, proper, trustworthy and credible assurances.

Business of the House

3.55 pm

The Lord President of the Council and Leader of the House of Commons (Mr. John Biffen): I wish to make a business statement.

The business for next week will be as follows:

MONDAY 28 JUNE—Supply (21st Allotted Day). There will be a debate on an Opposition motion on the repressive operation of the Immigration Regulations.

Motion relating to the Town and Country Planning (Vauxhall Cross) Special Development Order.

Proceedings on the Iron and Steel Bill [*Lords*] which is a consolidation measure.

TUESDAY 29 JUNE—Remaining stages of the Northern Ireland Bill.

WEDNESDAY 30 JUNE—Until about seven o'clock, consideration of Lords amendments to the Local Government Finance (No. 2) Bill.

Afterwards, Motions on the Northern Ireland (Emergency Provisions) Act 1978 (Continuance) Order, and on the Northern Ireland Act 1974 (Interim Period Extension) Order.

THURSDAY 1 JULY—Debate on a motion to approve the Statement on the Defence Estimates 1982, Command No. 8529.—(first day).

FRIDAY 2 JULY—Consideration of Lords amendments to the Local Government (Miscellaneous Provisions) Bill.

MONDAY 5 JULY—Private Members' motions until seven o'clock.

Afterwards, Supply (22nd Allotted Day)—(first part). Debate on a subject to be chosen by the Liberal Party.

Mr. Foot: I should like first to thank the right hon. Gentleman for having rearranged some business proposed for next week to assist us following representations that we made to him. I should like, however, to raise three matters.

On the issue of disarmament about which the Prime Minister was speaking a few minutes ago, we asked that there should be a debate in the House on the subject and the proposals to be put to the special session in New York before the right hon. Lady spoke there. We believe that the speech that she delivered makes it all the more necessary that there should be a debate in this House on the whole question. We regard her speech as quite unsatisfactory in representing the full British case on disarmament. We wish therefore to have a debate in the House while the special session is in progress to enable the House of Commons to give its view. I ask the right hon. Gentleman to make that arrangement.

In view of the appalling increase of 40,000 in the seasonally adjusted unemployment figure announced this week and the strong likelihood that unemployment on this scale, especially long-term unemployment, will continue for a long time, I must require that the right hon. Gentleman should arrange for a debate on the figures in the next week or two.

On the subject of the British Rail dispute, we have asked time and again that the Government should intervene. We believe that we are heading for a very serious dispute that could have grievous effects on the nation's industry. I urge the right hon. Gentleman, the Prime Minister and the Government to make sure that the

[Mr. Foot]

Secretary of State for Employment does his job and mediates in this dispute and that he comes to the House to tell us what he is doing.

Mr. Biffen: On the issue of the rail dispute, I can assure the right hon. Gentleman that there will be no dereliction of duty on the part of my right hon. Friends. But they will not be preachers of appeasement in this matter. I recognise that the House will wish to be kept informed on the rail dispute if unfortunately it occurs. I hope, however, that the right hon. Gentleman will join with me in appealing to the unions to call off their proposed industrial action.

The right hon. Gentleman will appreciate that the House debated unemployment on Monday of this week, and there will of course be an opportunity to consider the wider aspects of the economy when the Finance Bill returns to the House.

Finally, I note the right hon. Gentleman's specific request on disarmament, but I can say no more than that I note what he says. The question of the level and balance of arms is central to any debate on the defence estimates, which is to take place next week. So the House will have opportunities to discuss these matters. However, I take note of the terms in which the right hon. Gentleman made his request.

Mr. Foot: I thank the right hon. Gentleman for what he said about the disarmament proposals, but a debate on the defence White Paper is not a satisfactory way to deal with the matter. We want to discuss what proposals can still be placed before the special session by the British Government. That is not the same as the matters that will be considered in the debate on the defence White Paper, particularly as that White Paper raises many other questions involving the conduct of the Secretary of State for Defence that right hon. and hon. Members on both sides will wish to debate.

We hold the Government guilty of a dereliction of duty on the British Rail dispute. In our view, the Secretary of State for Employment has not exerted himself in the way that he should have done to try to prevent this crash.

Mr. John Stokes (Halesowen and Stourbridge): Will my right hon. Friend allow time next week for a debate on the attitude of the press and the media to the fighting in the south Atlantic, bearing in mind the fact that, although our correspondents with Her Majesty's Forces were absolutely magnificent, the attitude of some of the journalists and others who took part in the debates in this country was far less satisfactory?

Mr. Biffen: I am sure that there is a range of views in the House about the way in which the media handled the performance of our forces in the south Atlantic. However, the situation will not be much improved by having a debate next week, and in any case there is simply no time for one.

Mr. Andrew Faulds (Warley, East): As the Middle East debate the other night was somewhat unbalanced, in that a disproportionate number of pro-Zionists were called, when will the House have another opportunity to debate the appalling—[Interruption.]

Mr. Speaker: Order. The hon. Gentleman knows that, if he wishes to cast reflection on the conduct of the debate,

he should table a motion, which he is welcome to do. Meanwhile, he is not free to pass a comment of that sort, which in fact is not true.

Mr. Faulds: I shall not argue that matter on the Floor of the House with you, Mr. Speaker. I shall simply examine the names of the right hon. and hon. Members who were called that evening and, if necessary, table a motion. Perhaps I might now complete my question.

Can we have another early opportunity to debate the appalling circumstances of what is happening in the Middle East, particularly the fact that Palestinian prisoners are denied the protection of the Geneva convention by the appalling decision of the Israeli Government that they are not to be included in organised bands of guerrillas? When will the House also have an opportunity—No, perhaps I shall leave it at that, because that is the most important issue.

Mr. Biffen: I realise that the conflict in the Middle East unleashes the most intense passions in this Chamber, but I believe that the House will concur that our debate a few days ago was a most helpful one from the Government's point of view. Certainly I could not find time for another debate on that topic next week.

Mr. Nicholas Winterton (Macclesfield): Is my right hon. Friend aware that Lord Shackleton is currently undertaking an update of his 1976 report? Will my right hon. Friend therefore find time for an early debate on the future of the Falkland Islands, bearing in mind the fact that my right hon. Friend the Prime Minister described the Falkland Islands as an area which commands the sea routes of the south Atlantic, and that they are the gateway to the south Atlantic? Could we, therefore, have a debate so that hon. Members could suggest that the Falkland Islands might become an independent country within the Commonwealth, guaranteeing its security within the Commonwealth, with the support of other countries which have territorial claims in the Antarctic region?

Mr. Biffen: I do not for one moment disparage the importance of the topic that my hon. Friend raises, but I regret that there is no time for a debate on it next week.

Mr. Christopher Price (Lewisham, West): Is the Leader of the House aware that it would be a disgrace if, on the Report stage of the Administration of Justice Bill, which is not even receiving a Second Reading in this House, he were to introduce amendments which would completely change the nature of the jury system in this country? If the right hon. Gentleman wants changes to be made in the jury system whereby a large number of citizens will be ineligible, he should introduce a Bill on juries, and not try to slip in amendments to a Lords Bill in the final stages of its passage through this House.

Mr. Biffen: I shall look at that point.

Mr. Eldon Griffiths (Bury St. Edmunds): Will my right hon. Friend say how soon he expects the Prime Minister to make an announcement in the House about the form and terms of reference of the Falkland Islands inquiry? Has he noticed that already a debate is starting across the Floor of the House on this matter, and does he accept that surely that debate would be much better conducted after the inquiry had reached a conclusion?



10 DOWNING STREET

From the Private Secretary

24 June 1982

Visit of President Reagan to the United Kingdom

I enclose a copy of a letter from Mr. Streator in the United States Embassy which in turn encloses a message from President Reagan thanking the Prime Minister for the hospitality extended during the recent visit by the President and Mrs. Reagan to the United Kingdom.

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

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10 DOWNING STREET

From the Private Secretary

24 June 1982

Thank you very much for your letter of 24 June enclosing a message from President Reagan to the Prime Minister. I shall place this before Mrs. Thatcher at once.

A. J. COLES

The Honourable Edward J. Streater

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T 134/82



EMBASSY OF THE UNITED STATES OF AMERICA
LONDON

June 24, 1982

Prime Minister

Dear John:

A.J.C. 27/6

We have been asked to deliver the enclosed message to the Prime Minister from President Reagan. While it was received at the Embassy only this morning, it was obviously prepared earlier and must have been delayed in transmission.

Sincerely,

ES

Edward J. Streater
Deputy Chief of Mission

MT

A.J.C. 27/6

f-a.

Enclosure:
As stated

Mr. A.J. Coles,
Private Secretary to the Prime Minister,
10 Downing Street,
London SW1

T 137A/82

A.S.C. 8/7

THE WHITE HOUSE
WASHINGTON

June 18, 1982

Dear Margaret:

We have been and will continue to be in constant communication on the many issues and crises in the world which our countries face together. However, in the press of all this business, I would like to take a moment to thank you for the hospitality which you, your Government and your countrymen extended to Nancy and me during our visit. The visit to Great Britain was the high point of the trip for us, and I know that you and your colleagues put a great deal of work into making it possible.

Thank you for the most enjoyable lunch at 10 Downing Street, and for the opportunity to address Parliament which preceded it. Of the official functions on my schedule, they were among the most enjoyable and least burdensome, because I was among friends. Thank you also for the elegant carriage clock which you gave me and the music box which you gave Nancy. They were very thoughtful gifts and we shall treasure them.

The news of your victory in the South Atlantic is most welcome. I look forward to working with you on a lasting solution to the situation there, and to cooperation on the many other tough challenges facing the West.

With best regards to Denis whom we also very much enjoyed seeing again,

Warmest wishes,

Ron

The Right Honorable
Margaret R. Thatcher, M.P.,
Prime Minister
London

cc Martin
SPS

T137/82

CONFIDENTIAL

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T137^A/82

Dear Margaret:

We have been and will continue to be in constant communication on the many issues and crises in the world which our countries face together. However, in the press of all this business, I would like to take a moment to thank you for the hospitality which you, your government and your countrymen extended to Nancy and me during the visit. The visit to Great Britain was the high point of the trip for us, and I know that you and your colleagues put a great deal of work into making it possible.

Thank you for the most enjoyable lunch at 10 Downing Street, and for the opportunity to address Parliament which preceded it. Of the official functions on my schedule, they were among the most enjoyable and least burdensome, because I was among friends. Thank you also for the elegant carriage clock which you gave me and the music box which you gave Nancy. They were very thoughtful gifts and we shall treasure them.

The news of your victory in the South Atlantic is most welcome. I look forward to working with you on a lasting solution to the situation there, and to cooperation on the many other tough challenges facing the West.

With best regards to Denis, whom we also very much enjoyed seeing again,

Warmest wishes,

/s/

Ron

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London SW1

CONFIDENTIAL


MFJ

23 June 1982

Thank you for your letter of 15 June. I was happy to do what I could to help with the planning of the President's visits to Downing Street. But much of the credit has to go to your staff and the President's staff who did most of the work, and did it very professionally. As you say, it was an historic occasion. I know the Prime Minister wanted it to be a success, and it certainly was.

WR

His Excellency the Honourable John J. Louis Jr.





EMBASSY OF THE UNITED STATES OF AMERICA
LONDON

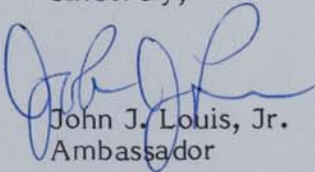
June 15, 1982

Mr. W.F.S. Rickett
Private Secretary to the Prime Minister
10 Downing Street
London, SW 1

Dear Mr. Rickett:

I want to express my thanks to you for all your help with the visit of President Reagan to the United Kingdom. We greatly valued your assistance in planning the President's meetings with the Prime Minister. This was an historic occasion and your courtesy and efficiency were important in making it a success.

Sincerely,



John J. Louis, Jr.
Ambassador

conqueror

OSA



EMBASSY OF THE UNITED STATES OF AMERICA
LONDON

June 15, 1982

Mr. A.J. Coles
Private Secretary to the Prime Minister
10 Downing Street
London, S.W.1.

Handwritten: 24/6
h-a.

Dear Mr. Coles:

I want to add my personal thanks to those of the White House team for your assistance during the President's visit. It turned out to be an outstanding success in all aspects, but particularly for the very useful substantive discussions with the Prime Minister and members of her cabinet. For all this, many thanks.

Sincerely,

Handwritten signature of John J. Louis, Jr.
John J. Louis, Jr.
Ambassador

CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

~~Willie~~
And all done from
my sick-bed too.

A. J. C.

June 9, 1982

Dear Mr. Coles:

The President has asked me to extend his most sincere appreciation for your efforts in making his visit to Britain so valuable and enjoyable. His talks with the Prime Minister on foreign policy issues proved extremely valuable. He very much appreciates your role in making these a high point of his visit.

Sincerely,



MICHAEL K. DEEVER
Assistant to the President
and Deputy Chief of Staff

Mr. A. J. Coles, M.C.
Private Secretary to the Prime Minister
London



10 DOWNING STREET

From the Private Secretary

9 JUNE, 1982.

Dear Brian,

PLENARY MEETING WITH PRESIDENT REAGAN

I ATTACH A RECORD OF THE PLENARY MEETING BETWEEN THE PRIME MINISTER AND PRESIDENT REAGAN WHICH WAS HELD HERE THIS MORNING.

I AM SENDING COPIES OF THIS LETTER AND ITS ENCLOSURE TO DAVID OMAND (MINISTRY OF DEFENCE) AND DAVID WRIGHT (CABINET OFFICE).

Yours sincerely,

Michael Scholten

BRIAN FALL, Esq.,
FOREIGN AND COMMONWEALTH OFFICE.

SUBJECT

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cc Maske

RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND THE PRESIDENT OF THE UNITED STATES OF AMERICA ON WEDNESDAY 9 JUNE 1982 AT 10 DOWNING STREET AT 0945

Present:

The Prime Minister
The Foreign and Commonwealth Secretary
The Secretary of State for Defence
Sir Robert Armstrong
Sir Antony Acland
Mr. Clive Whitmore
Mr. Michael Scholar
Mr. Bernard Ingham

The President of the United States of America
Secretary Haig
HE The Ambassador of the United States of America
The Hon. Edwin Meese III
The Hon. Michael K. Deaver
The Hon. William P. Clark

* * * * *

The Prime Minister said that the President's whole visit here had been a triumph. This had had much to do with his superb speech yesterday, which had been a success not only in Parliament but also with the nation as a whole. There was a new feeling here that we could^{not} afford to take freedom for granted. The message of the President's speech had chimed in perfectly with this. His visit added great strength to the Alliance, and had underlined the closeness of the relationship between our two countries.

The Prime Minister said that she would like to discuss three matters: the Falkland Islands, the Middle East and the prospects for the Bonn Summit. On the Falkland Islands, she wished again to thank the President for his magnificent support of the United Kingdom's position. Her grief was that she could not specify in public the extent of that support. The Prime Minister spoke of the difficulties which we would face after the battle for Port Stanley had been won, particularly with the Argentine prisoners of war. We hoped that they would provide a bargaining counter which would help us to achieve a lasting peace with Argentina. There would be serious logistic problems in feeding and looking after so

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- 2 -

large a number of prisoners, and we were grateful for the help that the United States would be able to offer us. Could we leave it that when we were able to see more clearly what help we could call on them to provide, we would make our request then? The President indicated assent.

On the Middle East, the Prime Minister said that she feared that the Israeli advance into the Lebanon would have a fundamental effect on the Arab world. The United States was the expert on this area, and she would be glad to know their thoughts on the matter. She herself had said in Parliament yesterday that there would have to be a ceasefire and that aggression would have to cease, both by the Israelis and also by those who had been attacking Israeli territory from neighbouring states. But it would be necessary for herself and the President to say something to the press after the present meeting. Mr. Haig said that he believed that the key was UN Resolution 508 which linked ceasefire and withdrawal. The President said that the US supported UN 508, and that he would call for a ceasefire, a removal of all forces and the end of bloodshed. The Prime Minister enquired what the US assessment was of Israeli intentions; and about the position of the Syrians. Mr. Haig said that some PLO positions were very close to Syrian positions, and were being protected by the Syrians. But the Israeli intention, which had been communicated to Mr. Habib, was not to engage the Syrians; they simply wished to create a 40 km sanitised zone with the PLO held further north. There could be a problem if the Israelis had found that their objectives had been so easily achieved that they had gone further than they had set out to. Much would hang on the character of the peace-keeping guarantee. The Prime Minister said that the history of UN peace-keeping forces had not been one of great success. In a sense, the notion of UN forces keeping the peace was a discredited one at present. Mr. Haig said that the President had asked all the participants in the UN Force in Lebanon not to pull out. The mandate was up for renewal on 15 June, and it would be helpful if the UK used its influence with the countries concerned - Ireland, France, the Netherlands, Norway and Fiji. The Prime Minister said that we would do what we could to help. She accepted that there was a role for UN forces there, following a ceasefire accompanied by withdrawal of the opposing forces. Mr. Haig said that the

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CONFIDENTIAL

- 3 -

emphasis should be on ending the bloodshed and a ceasefire. The Prime Minister indicated that this might pose a problem for us. The trouble with a ceasefire was that it could leave the burglar in possession. She hoped that Mr. Habib would be successful. He had been most successful up till now.

After expressing worries about the effect of recent events on the position of the Saudis, the Prime Minister enquired about the line the President would be taking with Mr. Begin. The President said that he had scheduled a discussion with Mr. Begin at the UN Disarmament Conference. He was not quite clear now how this talk would go ahead. But he would have to make Mr. Begin understand that the US was not retreating from its friendship with Israel. Its aim was to forge a relationship with the more moderate Arabs, and to "create more Egypts". He planned to "beat him over the head with this". The Prime Minister said that the Israelis were making things very difficult for their friends. Mr. Meese said that it would be important not to be too specific in what was said to the press at the end of the meeting. The press would be seeking to engineer differences of emphasis between the United States and the United Kingdom on the one hand and the rest of the Alliance on the other.

On the Bonn Summit, the Foreign and Commonwealth Secretary said that our objective should be to achieve a balance, between the need for strength and the adequacy of deterrence, and the achievement of START. Mr. Haig said that the US was seeking a strong section in the communique on the need to maintain conventional military strength. They needed this with Congress, and because it was right in itself. The Germans had been reluctant to go along with this, but they now thought that they would do so. The objective was to put across the message that the Summit had reinforced solidarity in Western unity, building on the strength of the Alliance, together with a willingness for dialogue. The Prime Minister enquired whether this was a dialogue on arms reductions or on the wider philosophical issues addressed in the President's speech yesterday. Mr. Haig said that it was a dialogue towards restraint and responsibility in the overall political relationship between East and West. The Prime Minister noted that there was a difference between dialogue and detente. Afghanistan / had come in

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- 4 -

had come in between. The Foreign and Commonwealth Secretary said that there could be no objections to dialogue, conducted from a position of strength. The Prime Minister said she hoped that we would be able to put a positive message over, about the shared ideals of the Alliance. Perhaps we would be able to achieve something with some of the Eastern European countries. She wondered whether we should identify the furthest away from Communism within the Eastern bloc. Should we arrange, for example, visits from Hungarian schoolchildren to this country? The President said that our aim should be to teach the emerging countries the nuts and bolts of democracy; we should do all we could to see if we could make this programme work. On conventional military strength, the Prime Minister said that the UK's problem was likely to be how to resist demands for an excessive concentration on conventional military expenditure within our defence programme. Mr. Haig commented that he hoped that there would not be any retreat from what was agreed at Luxembourg.

There followed a brief discussion on how to handle the press, and the plenary session concluded at 1020.

9 June 1982

CONFIDENTIAL

RESTRICTED



VISIT BY

The President
of The United States
of America
and
Mrs Reagan

TO THE PALACE OF WESTMINSTER

Tuesday, 8th June 1982

x Check Arrival Time ?

PROGRAMME

11.00 am Royal Gallery doors open for arrival of Peers and Members of Parliament (Prince's Chamber) and Guests and Press (Norman Porch).

X 11.40 am Norman Porch closed to Guests and Press. The State Trumpeters and a detachment of The Queen's Bodyguard of the Yeomen of the Guard proceed to their appointed stations.

11.45 am The Lord Chancellor and The Speaker arrive in the Prince's Chamber.

11.48 am The Speaker enters the Royal Gallery and proceeds to the dais.

11.50 am The Lord Chancellor enters the Royal Gallery and proceeds to the dais.

11.55 am THE PRESIDENT OF THE UNITED STATES OF AMERICA AND MRS REAGAN accompanied by members of the suite in attendance, arrive at Norman Porch where they are met by

THE MARQUESS OF CHOLMONDELEY
The Lord Great Chamberlain

who conducts the President and Mrs Reagan up the staircase.

A detachment of The Queen's Bodyguard of the Yeomen of the Guard will be on duty on the staircase.

At the top of the staircase, the Lord Great Chamberlain presents:

THE RT. HON. MARGARET THATCHER, MP
The Prime Minister and First Lord of the Treasury

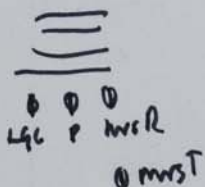
The Lord Great Chamberlain conducts The President into the Robing Room.

The Prime Minister conducts Mrs Reagan into the Royal Gallery and presents:

THE RT. HON. JOHN BIFFEN, MP
The Lord President of the Council and Leader of the House of Commons

and

THE RT. HON. THE BARONESS YOUNG
The Lord Privy Seal and Leader of the House of Lords



Under the
Lantern
is good view of
Camera on right

in the Rg
on the right of
door

first ie new
any

seems

no hint ?

and sits next
to her

From room
nearest to door

The Prime Minister then conducts Mrs Reagan to her seat.

Members of the suite in attendance proceed to their seats.

The Lord Great Chamberlain conducts The President from the Robing Room via the top of the Norman Porch staircase where he presents:

THE RT. HON. JOHN BIFFEN, MP

The Lord President of the Council and Leader of the House of Commons

and

THE RT. HON. THE BARONESS YOUNG

The Lord Privy Seal and Leader of the House of Lords

The Lord Great Chamberlain then conducts The President into the Royal Gallery. A fanfare of trumpets is sounded by the State Trumpeters.

Stand
→

At the foot of the steps to the dais, the Lord Great Chamberlain presents:

THE RT. HON. THE LORD HAILSHAM OF
ST MARYLEBONE

The Lord Chancellor

and

THE RT. HON. GEORGE THOMAS, MP

The Speaker of the House of Commons

who will escort The President on to the dais to take their seats.

The Lord President of the Council and the Lord Privy Seal proceed to their seats.

The Lord Chancellor welcomes The President and Mrs Reagan.

THE PRESIDENT OF THE UNITED STATES OF
AMERICA

then addresses the assembled Peers and Members of Parliament.

The Speaker of the House of Commons thanks The President.

On
conclusion

The Lord Great Chamberlain proceeds to the foot of the stairs to the dais.

Stand

A fanfare of trumpets is sounded.

The Lord Chancellor and The Speaker conduct The President from the dais and take their leave at the foot of the steps.

not met
by Reagan:

The Lord Great Chamberlain preceded by the Lord President of the Council and the Lord Privy Seal, escort The President, joined by Mrs Reagan, through the Royal Gallery to the Prince's Chamber where:

The Rt. Hon. The Baroness Young
The Lord Privy Seal

and

The Rt. Hon. John Biffen, MP
The Lord President of the Council

take their leave; and during which:

The Prime Minister leaves the Royal Gallery by Norman Porch for 10 Downing Street

The Lord Chancellor and The Speaker of the House of Commons leave the Royal Gallery via the Robing Room

The suite not in immediate attendance on The President leave the Royal Gallery by Norman Porch.

As President
and Mrs
leave the Royal
Gallery.

The Lord Great Chamberlain conducts The President of the United States of America and Mrs Reagan to Peers' Entrance where he takes his leave.

12.45 pm

The President of the United States of America and Mrs Reagan, with the accompanying suite, depart by car for 10 Downing Street.

Cholmondeley

1982

Lord Great Chamberlain

LIST OF GUESTS FOR BREAKFAST ON WEDNESDAY, 9 JUNE 1982

Small Dining Room

The Prime Minister

The Hon. Ronald Reagan

The Hon. Alexander M. Haig Jr

Rt. Hon. Francis Pym, MP

State Dining Room

Rt. Hon. John Nott, MP

Sir Robert Armstrong

Sir Antony Acland

Sir Nicholas Henderson

Mr. Clive Whitmore

His Excellency the Ambassador of the United States of America

The Hon. Edwin Meese III

The Hon. Michael K. Deaver

The Hon. William P. Clark

The Hon. Richard G. Darman

The Hon. David R. Gergen

The Hon. Edward V. Hickey Jr

The Hon. Richard R. Burt

1943

REVISED LIST OF AMERICANS REQUIRING BREAKFAST IN 11 DOWNING STREET

Mr. Dan Morris	Presidential aide
Mr. Charles Bakaly	" "
Mr. David Fisher	Special Assistant to the President
Dr. Louie	doctor
Major John Klein	military aide
Mr. Larry Speakes	Deputy Press Secretary to the President
Mr. William Sittmann	Executive Assistant to the Deputy Chief of Staff (Mr. Deaver)
Mr. Sherwood Goldberg	Assistant to Secretary Haig
Mr. Dean Fischer	Secretary Haig's spokesman
Mr. J. Rentschler	National Security Council
Mr. Charles Tyson	" " "
Mr. Michael Evans	White House official photographer
plus 2 from the American Embassy	

Mr. Bernard Ingham
Mr. William Rickett

PLENARY

The Prime Minister

Rt. Hon. Francis Pym, MP

Rt. Hon. John Nott, MP

Sir Robert Armstrong

Sir Antony Acland

Sir Nicholas Henderson

Mr. Clive Whitmore

The President of the United States of America

Secretary Haig

His Excellency the Ambassador of the United States of America

The Hon. Edwin Meese III

The Hon. Michael K. Deaver

The Hon. William P. Clark

8th June, 1982

WINDSOR CASTLE

BANQUET

Mr. Denis Thatcher

is requested to escort

The Duchess of Gloucester

in the Royal Procession to St. George's Hall.

THE PROCESSION

The President of
the United States

The Prince Philip
Duke of Edinburgh

The Prince of Wales

The Archbishop of
Canterbury

The Hon. Alexander
M. Haig, Jr.

The Duke of Gloucester

Mr. Denis Thatcher

The Duke of Kent

The Lord Chancellor

Prince Michael of Kent

The Lord President
of the Council

Right Hon. the Speaker

The Hon. Angus Ogilvy

The Queen

Mrs. Reagan

Mrs. Runcie

The Princess Margaret,
Countess of Snowdon

Princess Alice, Duchess
of Gloucester

Mrs. Haig

The Duchess of Gloucester

The Prime Minister

The Duchess of Kent

Mrs. Biffen

Princess Michael of Kent

Princess Alexandra, the
Hon. Mrs. Angus Ogilvy

The Lord Privy Seal

ROYAL PROCESSION SEATING PLAN

Prince Michael of
Kent

Mrs. Biffen

The Duke of Kent

Prime Minister

The Duke of
Gloucester

Mrs. Haig

**THE PRINCE PHILIP
DUKE OF EDINBURGH**

MRS. REAGAN

The Prince of
Wales

Mrs. Runcie

Lord President
of the Council

Princess Michael
of Kent

Hon. Angus Ogilvy

Lord Privy Seal

● Mr. Denis Thatcher

● The Duchess of
Gloucester

Archbishop of
Canterbury

The Princess Margaret,
Countess of Snowdon

**THE PRESIDENT OF THE
UNITED STATES OF AMERICA**

THE QUEEN

Hon. Alexander M.
Haig, Jr.

Princess Alice,
Duchess of Gloucester

Lord Chancellor

The Duchess of Kent

Right Hon. the Speaker

Princess Alexandra, the
Hon. Mrs. Angus Ogilvy

ENTRANCE

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TG Giffard
TG Goodison
TG Ure

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Cab. Office

INFO SAVING OTHER EC POSTS, MOSCOW, HOLY SEE (ACTIONED)

[Standard]

(12)

PRESIDENT REAGAN'S VISIT TO ROME

1. PRESIDENT RAAGAN MADE A SIX-HOUR VISIT TO ROME ON 7 JUNE. HE SAW THE POPE, WAS ENTERTAINED TO LUNCH BY PRESIDENT PERTINI, HAD TALKS WITH THE PRIME MINISTER SPADOLINI AND SAW BRIEFLY THE PARTY SECRETARIES OF THE FIVE PARTIES THAT MAKE UP THE GOVERNING COALITION. THE MAIN PART OF THE TALKS BETWEEN PRESIDENT REAGAN AND SPADOLINI TOOK PLACE DURING THE JOURNEY BACK FROM PARIS IN PRESIDENT REAGAN'S AEROPLANE.

2. PRESS REPORTS TAKE THEIR LINE FROM PRESIDENT REAGAN'S TOAST AT LUNCH IN WHICH HE PRAISED ITALY AS A RELIABLE ALLY, DRAWING ATTENTION TO ITALIAN DECISIONS OVER TNF BASING AND PARTICIPATION IN THE SINAI MFO. ACCORDING TO THE PRESS THE US ALSO WANTED TO EXPRESS THEIR GRATITUDE TO ITALY FOR THE SAFE RELEASE OF GENERAL DOZIER AFTER HIS KIDNAPPING BY THE RED BRIGADES AND PRESIDENT REAGAN DECORATED THOSE MOST CLOSELY CONCERNED IN THE OPERATION LEADING TO DOZIER'S RELEASE. FROM A PUBLIC RELATIONS POINT OF VIEW, THIS WAS A HIGHLIGHT OF THE VISIT.

3. PRESIDENT REAGAN'S TALKS IN ROME WERE NATURALLY DOMINATED BY RECENT EVENTS IN THE LEBANON. SPEAKING WITH JOURNALISTS AFTER THE PRESIDENT'S DEPARTURE, COLOMBO SAID THAT ITALY FEARED THAT THE NEW ISRAELI MILITARY ADVENTURE WOULD WORSEN THE WIDER MIDDLE EAST SITUATION. COLOMBO SAID THAT US AND ITALIAN VIEWS COINCIDED

AND HE POINTED OUT THAT THE US HAD VOTED FOR THE UN SECURITY COUNCIL RESOLUTION WHICH CALLED FOR THE IMMEDIATE WITHDRAWAL OF ISRAELI TROOPS. IN THE EXCHANGE OF TOASTS AT LUNCH PRESIDENT PERTINI CONDEMNED THE ISRAELI INVASION OF LEBANON BUT PRESIDENT REAGAN DID NOT REFER PUBLICLY TO THE CRISIS.

4. THE US AMBASSADOR TOLD ME THAT OTHER SUBJECTS DISCUSSED WERE THE FALKLAND ISLANDS, THE BONN NATO SUMMIT AND INTERNATIONAL TERRORISM. THE PRESS ALSO MENTIONS AFGHANISTAN AND POLAND WITHOUT GOING INTO DETAILS.

5. ON THE FALKLAND ISLANDS COLOMBO SAID AFTER THE VISIT THAT THE DISCUSSIONS CENTRED ON WAYS OF FINDING A LONG-TERM SOLUTION (I.E. AFTER THE PRESENT HOSTILITIES) WHICH OFFERS SOME SORT OF 'GUARANTEE' TO BOTH SIDES. SUCH A SOLUTION SHOULD BEAR IN MIND THE NEED TO RENEW RELATIONS BETWEEN LATIN AMERICA ON THE ONE HAND AND THE US AND EUROPE ON THE OTHER, AND SHOULD ALSO TAKE INTO ACCOUNT THE EFFECTS OF THE FALKLAND ISLANDS' CRISIS ON RELATIONS BETWEEN THE WEST AND THE THIRD WORLD. ACCORDING TO THE US AMBASSADOR, COLOMBO IS INDEED WORRIED ABOUT EUROPE / LATIN AMERICA RELATIONS WHEN WE HAVE RETAKEN PORT STANLEY. IN HIS MEETING WITH PRESIDENT REAGAN, CRAXI, THE SOCIALIST LEADER, TOLD THE PRESIDENT THAT HE DISAGREED WITH THE US LINE OVER THE FALKLANDS ARGUING THAT ITALY HAD TO TAKE INTO ACCOUNT HER CLOSE TIES WITH ARGENTINA. (THE US EMBASSY REGRETS THAT THIS ATTITUDE DERIVED FROM ELECTORAL CONSIDERATIONS AND A RIVALRY BETWEEN THE PSI AND THE DC FOR THE VOTES OF ITALIANS RESIDENT IN ARGENTINA).

6. ON THE NATO SUMMIT THE DISCUSSION IS SAID BY THE PRESS TO HAVE COVERED TNF AND COOPERATION BETWEEN THE US AND ITALY IN THE FIELD OF CONVENTIONAL ARMS. THE ITALIAN SIDE ALSO EXPRESSED THEIR APPROVAL OF RECENT US MOVES OVER DISARMAMENT NEGOTIATIONS .

7. THE ITALIAN PRESS SAYS THAT THE CONVERSATION WITH THE POPE COVERED THE FALKLANDS, IRAN/IRAQ, THE LEBANON AND POLAND. THE EMBASSY TO THE HOLY SEE WILL BE REPORTING SEPARATELY.

FCO PLEASE PASS TO ALL SAYING ADDRESSEES

ARCULUS



URGENT BOX

10 DOWNING STREET

Prime Minister

President Reagan : John Brown

Both the Chancellor and Michael Franklin have approached me several times to ask if you will raise this again with the President (please see attached letter from John Brown and speaking note). They know you have already mentioned it but hope that the Americans will undertake to reply within a week
PTO

because John Brown with
otherwise have to publish
losses of £20-30 m
very soon.

MLS 8/6

Telephone 01-222 9040
Telex 917869 Aegis G
Telegraphic Address Inland "Aldwarke" London Telex
Overseas "Aldwarke" London SW1

John Brown and Company, Limited

Our Ref

Your Ref

Registered Office

8 The Sanctuary, Westminster,
London, SW1P 3JU

Company No 1125C Registered in England

8th June 1982

By hand

The Rt Hon Mrs Margaret Thatcher MP
10 Downing Street
London SW1

Dear Prime Minister

Soviet Gas Pipeline

The John Brown Group continues to be very concerned about the American ban on exports of equipment for the West Siberian gas pipeline. We have contracts worth £104 million at stake over which there has been uncertainty since the beginning of the year due to the American action. A decision to reduce our commitments, which would itself be very costly, has been postponed on a number of occasions in the expectation of a satisfactory outcome. Discussions with US officials have produced no result so we believe that your own talks with President Reagan this week represent the last chance for us. Deliveries to the Soviet Union are due to begin next month. If these do not take place, we shall not only be laying ourselves open to heavy penalties but will have passed the point where our Board could allow accumulation of costs to continue without risking grave consequences to the Group as a whole and the Scottish operations in particular.

We had hoped that discussions leading up to the Versailles Summit might have brought us an answer, but Press reports of this aspect of the event are contradictory and the Government departments concerned can tell us very little. If the matter has not already been resolved, may we urge you to make the strongest possible representations to President Reagan for a decision during the next few days which will allow us to complete existing contracts? He should be aware of the serious industrial implications of further delay.

We are copying this to the Rt Hon Francis Pym, the Rt Hon Lord Cockfield and the Rt Hon Patrick Jenkin.

*1 Sign this in the absence on business reasons
of my Chairman, John Mayhew-Sanders.*

2 truly

John Conway
President and Past Chairman

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

8 June, 1982

Dear John,

Prime Minister's Meeting with President Reagan
on 9 June

Briefing on three subjects has been updated in the light of the discussion during the Economic Summit at Versailles and the Secretary of State's meeting with Mr Haig this morning.

I enclose a Summary record of the meeting this morning which concentrated exclusively on events in the Middle East. Mr Haig himself made the link between the immediate crisis in Lebanon and the wider Palestinian problem. He mentioned how the Administration's intention of making an intensive effort on autonomy had been frustrated over many months by a succession of violent events in the region and he saw the latest Israeli invasion of Lebanon as possibly partly being intended to preempt pressure in this regard from the US Government. Mr Haig acknowledged the great significance that a moratorium on settlements, for example, would have in building up confidence in the peace process on the part of the Palestinian community, though he appeared to see little prospect of pursuing this so long as US efforts have to be devoted in the first place to securing Israeli withdrawal from Lebanon. Mr Pym believes that in her meeting with President Reagan it would nevertheless be very desirable for the Prime Minister to underline our concern that so long as there is no progress on the Palestinian issue, and in particular on their legitimate right to self-determination, the door in the area remains wide open to the Russians. The Prime Minister could suggest that a public expression of the Administration's determination to achieve a moratorium on Israeli settlement activity in the occupied territories could have an immediate calming effect in the region and at the same time enhance the chances of securing eventual wider participation in the peace process. Moreover, it could help to relieve some of the pressure on President Mubarak of Egypt that the Israeli invasion of Lebanon has created.

Mr Pym believes that it is too early to say whether eventually a solution on the lines Mr Haig has described (see the attached summary record) might become at all realistic. He recommends, however, that the Prime Minister should say that we agree on the importance to be attached to strengthening the Lebanese central government if this can be achieved and that we would welcome being kept closely in touch with American thinking in this regard as it develops so that we and our European partners can consider how best we can help in securing our common objective of the establishment of new arrangements in South Lebanon that will enable the Israelis to withdraw. Meanwhile we believe pressure must be applied now on the Israelis to observe SCR 509. If the Americans

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/delay



delay, within a few days the Syrians, with the Russians in support, will be active both in the region and in the UN; and the Jewish lobby in the US will also gather force.

Mr Habib expects to see Mr Begin again this evening to discuss further Israeli conditions for withdrawal. It may be necessary to send further briefing to the Prime Minister when we have a report on the results of this meeting.

The Falklands were discussed at length with the Americans at Versailles. The Prime Minister's talks with President Reagan tomorrow may offer an opportunity for further discussion of points mentioned in her talk with the President on Friday, particularly the question of how to obtain a cessation of hostilities applying to the mainland of Argentina and not only the Falkland Islands themselves. The Foreign and Commonwealth Secretary will shortly be circulating the memorandum on this which is required under the conclusions of yesterday's meeting of OD(SA). Meanwhile, the Prime Minister may wish to draw on the following (which I am submitting separately to Mr Pym).

- (a) We are telling the countries which have supported us with economic measures that there may well be a need to keep these measures in force because Argentina may continue hostilities after we have re-possessed the Islands, and that we hope that the countries concerned will not say anything in public which implies a contrary intention.
- (b) We are obliged by international law to return Argentine prisoners-of-war only after the full cessation of hostilities. For practical reasons we may wish to return ordinary servicemen to Argentina soon after we have re-possessed the Islands, but could hold on to officers and senior non-commissioned officers if hostilities continue.
- (c) On re-possession of the Islands, and implementation there of a ceasefire, we or an intermediary might propose to Argentina a general and lasting ceasefire in the South Atlantic, and mention the questions of economic sanctions and a return of prisoners-of-war as an inducement.

If the President shows interest in this, and particularly if he suggests that the US might be the intermediary for contacts with Argentina, the Prime Minister might ask whether the Americans have plans to help Argentina in the rehabilitation of her economy after hostilities, as part of a policy for mending fences in the western hemisphere. If so, a US offer to this effect might be a powerful extra inducement to persuade Argentina to agree to a complete cessation of hostilities, which of course will be a very important factor for the redevelopment of relations between the West including notably the US and Latin America.

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The Prime Minister might add that we are looking closely at moves that might be taken towards internal self-government in the Falklands (Mr Pym will also be circulating a memorandum on this in OD(SA)). The Prime Minister could also mention the ideas about declaring a rehabilitation period after re-possession of the Islands and about British and Argentine commitments not to use force which were set out at (d) and (e) of the third paragraph of my letter of 3 June.

At your request we sent over this morning a revised brief on Existing Contracts (John Brown).

There are no other points on which we would wish to amend the earlier briefing, which was of course discussed with the Prime Minister on 3 June.

Yours own,

(F N Richards)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street

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SUMMARY OF THE DISCUSSION BETWEEN THE SECRETARY OF STATE AND
US SECRETARY OF STATE HAIG: 10.45 AM 8 JUNE 1982: ISRAEL/LEBANON

Mr Haig explained what he understood were the Israelis' intentions: to achieve rapid military control of Southern Lebanon up to a rough line 40 km north of the Israeli border, and to destroy Palestinian units and equipment within that area. As for the conditions under which the Israelis might withdraw, the Americans were awaiting the result of a further conversation between Mr Habib and Mr Begin this evening (8 June). It appeared that the Israelis envisaged an enlarged buffer zone, mainly under the control of the Lebanese themselves, with Haddad playing a leading role. Until the Lebanese Government was strong enough to take on such a responsibility on its own, some kind of international peace-keeping force would be necessary.

Mr Haig said that the US realised the difficulties in such a proposal, but he did not believe any other solution would work. A fundamental structural change in Lebanon was necessary, preferably one which also saw the withdrawal of Syrian forces. The Lebanese Government had so far reacted strongly against the invasion, but they might come to see an opportunity for a long-term solution along those lines. The US would not wish to be drawn into participating in or arranging a non-UN sponsored multilateral peace-keeping force, unless a permanent solution was clearly in sight. A US guarantee of Israeli security was the Americans' last trump card for use with the Israelis and he did not wish to expend it on what might be an unsatisfactory interim solution. The only alternative was therefore to create a separate role in the South for the Lebanese Government and to help them gradually strengthen their forces to take it on.

Mr Haig made it clear that in the short term the Americans were not prepared to put firm pressure on the Israelis to withdraw. He wished to preserve the possibility of flexibility from Mr Begin and to avoid getting strategic implications of these developments wrong.

/Asked



Asked whether he thought an arrangement possible whereby UNIFIL expanded its operations northwards on condition that it also covered Haddad's zone to the south, Mr Haig said he believed Mr Begin, who was emotionally committed to Haddad, would not allow it. Nonetheless he thought it essential that contributors to UNIFIL should not withdraw their units: a continued international presence was essential.

In a brief discussion of the wider Arab-Israel problem, Mr Haig explained why the Americans were committed to pressing on with the autonomy talks. It was the only way to restrain the Israelis from further aggressive actions and to obtain a halt to Israeli settlements. He had himself told the Israelis in definite terms last winter that settlements would have to stop. He acknowledged, however, that there were real difficulties in the talks, primarily over the question of a Palestinian franchise as well as settlements. Mr Hurd asked whether the Americans would be prepared to make a public statement about settlements: this would have a reassuring effect throughout the Middle East. Mr Haig said that for the present the US would avoid harsh value judgments that would make the Israelis even more intractable. The Israelis could survive militarily for six months without US support: this, together with domestic considerations, limited American leverage.

SPEECH BY THE PRIME MINISTER

AT LUNCH FOR PRESIDENT REAGAN

ON TUESDAY 8 JUNE 1982

WE ARE HERE TODAY TO WELCOME AND HONOUR OUR GREAT ALLY -
THE UNITED STATES OF AMERICA.

MR. PRESIDENT, MRS REAGAN - IT IS A PRIVILEGE AND
PLEASURE TO HAVE YOU BOTH HERE WITH US.

IT IS RARE ENOUGH TO HAVE AN AMERICAN PRESIDENT
AS A GUEST AT No. 10.

BUT MY RESEARCHES HAVE BEEN UNABLE TO FIND OUT
WHEN WE LAST HAD THE HONOUR OF THE FIRST LADY
WITH US AS WELL.

YOUR PRESENCE GIVES

YOUR PRESENCE GIVES ME AND INDEED MANY OF OUR GUESTS A
CHANCE TO REPAY AS BEST WE CAN THE HOSPITALITY
YOU BESTOWED ON US WHEN WE WERE YOUR FIRST
OFFICIAL GUESTS FROM ABROAD AT THE BEGINNING
OF YOUR PRESIDENTIAL TERM OF OFFICE.

I REALISE THAT YOU HAVE BECOME ACCUSTOMED
RECENTLY TO TAKING YOUR MEALS IN GRANDER
PLACES - THE PALACE OF VERSAILLES, WINDSOR CASTLE.
AS YOU CAN SEE, THIS IS A VERY SIMPLE HOUSE,
BUT ONE WHICH HAS WITNESSED THE SHAPING OF
OUR SHARED HISTORY SINCE IT FIRST BECAME THE
ABODE OF PRIME MINISTERS IN 1732.

/ SOME OF US

SOME OF US WERE PRESENT A SHORT TIME AGO TO HEAR YOUR
MAGNIFICENT SPEECH TO MEMBERS OF BOTH HOUSES
OF PARLIAMENT IN THE HISTORIC SETTING OF THE
ROYAL GALLERY.

IT WAS, IF I MAY SAY SO, AN EXCEEDINGLY HARD
ACT TO FOLLOW.

SO I SHALL SAY ONLY A FEW WORDS.

SUPPORT OVER FALKLANDS

MUCH HAS BEEN SAID AND READ OVER THE YEARS, MR. PRESIDENT,
ABOUT THE RELATIONS BETWEEN OUR TWO COUNTRIES.
THERE IS NO NEED FOR ME TO ADD TO THE GENERALITIES
ON THE SUBJECT TODAY, BECAUSE WE HAVE HAD BEFORE
OUR EYES IN RECENT WEEKS THE MOST CONCRETE
EXPRESSION OF WHAT IN PRACTICE OUR FRIENDSHIP
MEANS.

/ I REFER TO YOUR

I REFER TO YOUR AWARENESS OF OUR READINESS TO
RESIST AGGRESSION IN THE FALKLANDS EVEN AT
GREAT SACRIFICE: AND TO OUR AWARENESS OF YOUR
READINESS TO GIVE SUPPORT TO US EVEN AT
CONSIDERABLE COST TO AMERICAN INTERESTS.

IT IS THIS PREPAREDNESS ON BOTH SIDES FOR SACRIFICES IN
THE COMMON INTEREST AND THE WIDER INTEREST THAT
CHARACTERISES OUR PARTNERSHIP: AND I SHOULD LIKE
TO PAY TRIBUTE TO YOU, MR. PRESIDENT, AND TO
YOU MR. SECRETARY HAIG, WHOM I ALSO GREET HERE
HEARTILY TODAY, AND THROUGH YOU TO THE AMERICAN
PEOPLE FOR YOUR PREDICTABLY GENEROUS RESPONSE.
BELIEVE ME, MR. PRESIDENT, WE DO NOT TAKE IT FOR
GRANTED.
WE ARE GRATEFUL TO THE DEPTH OF OUR NATIONAL BEING.

/ MR. PRESIDENT,

MISSION TO EUROPE

MR. PRESIDENT, YOUR MISSION TO LONDON AND TO OTHER CAPITALS
OF EUROPE IS A REMARKABLE ONE, AND WE ARE FULLY
CONSCIOUS BOTH OF ITS SYMBOLISM AND SUBSTANCE.

FROM THE DAY YOU TOOK OFFICE YOU WERE DETERMINED TO BREATHE
NEW LIFE INTO THE ALLIANCE.

ONE OF YOUR PREDECESSORS, PRESIDENT EISHENHOWER
PUT IT SO WELL WHEN HE SAID:

"ONE TRUTH MUST RULE ALL WE THINK AND
ALL WE DO. THE UNITY OF ALL WHO DWELL
IN FREEDOM IS THEIR ONLY SURE DEFENCE."

YOU RECOGNISED HOW CENTRAL YOUR ALLIES WERE TO
AMERICA'S INTERESTS AND VICE VERSA - THAT NO
COUNTRY, HOWEVER STRONG, CAN REMAIN AN ISLAND IN
THE MODERN WORLD.

/ I WANT YOU

I WANT YOU TO KNOW HOW FULLY WE RECIPROCATE YOUR
CONVICTION ABOUT THE NEED FOR A DYNAMIC TWO-WAY
ALLIANCE.

WE HERE ALSO REALISE, MR. PRESIDENT, WHAT YOU HAVE DONE
BOTH TO INCREASE IMMEDIATE AMERICAN MILITARY
STRENGTH AND TO REANIMATE TALKS ON ARMS REDUCTIONS -
OBJECTIVES THAT MUST GO HAND IN HAND.

YOU HAVE SEIZED THE INITIATIVE IN EAST-WEST RELATIONS
AND, AS SEEN BY US IN WESTERN EUROPE, THAT IS
ALREADY A CONSIDERABLE ACHIEVEMENT.

/ OPEN TRADE

OPEN TRADE

MAY I ALSO STRESS WHAT YOU STAND FOR IN INTERNATIONAL
ECONOMIC LIFE, YOUR COMMITMENT TO AN OPEN
WORLD TRADE SYSTEM, WHATEVER THE IMMEDIATE
PRESSURES FOR RESTRICTION,
THAT IS OUR ROLE, TOO, AND WE WILL STRUGGLE FOR
IT ALONGSIDE YOU,

FRIENDSHIP

BOTH BEFORE AND SINCE YOU TOOK OFFICE, MR. PRESIDENT,

I HAVE COME TO KNOW YOU AS A PERSONAL FRIEND:

- WHO CAN BE RELIED ON IN TIMES OF DANGER;
- WHO IS NOT GOING TO COMPROMISE ON THE VALUES
OF THE FREE WORLD;
- WHO SEEKS THE REDUCTION OF WORLD TENSIONS AND
THE STRENGTHENING OF WORLD SECURITY;
- / - WHO

- WHO WILL DO EVERYTHING POSSIBLE TO ENCOURAGE
CREATIVE ENTERPRISE AND INITIATIVE;
- WHO WANTS THE INDIVIDUAL TO FLOURISH IN
FREEDOM, IN JUSTICE AND IN PEACE.

I HAVE FOUND IN MY THREE YEARS IN THIS OFFICE, AS I AM
SURE MY PREDECESSORS HAVE DONE, THAT THERE
IS ONE FURTHER CHARACTERISTIC THAT IS DOMINANT
FOR THOSE CONCERNED WITH POLICY.

I REFER TO OUR ABILITY TO DISCUSS PROBLEMS OF
COMMON INTEREST, (WHICH MEANS OF COURSE IN
TODAY'S WORLD PRACTICALLY EVERY ISSUE IN PUBLIC
LIFE) - TO DISCUSS THEM FREELY AND CANDIDLY,
NOT NECESSARILY ALWAYS AGREEING, BUT GIVING AND
TAKING ADVICE AS FAMILY FRIENDS, WITHOUT EXCITING
ANXIETY OR ENVY.

/ YOU, MR. PRESIDENT.

YOU, MR. PRESIDENT, AND YOU MR. SECRETARY HAIG, HAVE

ALWAYS SHOWN THIS SPIRIT.

IT IS SOMETHING UNIQUE BETWEEN US, AND IS

OF INESTIMABLE VALUE TO THE CAUSE WE BOTH

SHARE.

YOU, MR. PRESIDENT, HAVE QUOTED OUR GREATEST STATESMAN

OF THE CENTURY - WINSTON CHURCHILL.

YOU WILL KNOW THAT IN PARLIAMENT SQUARE, AS

WELL AS WINSTON CHURCHILL, THERE STANDS THE

STATUE OF ABRAHAM LINCOLN, WHO IN HIS MOST

FAMOUS SPEECH OF ALL AT GETTYSBURG SAID:

/ "THE WORLD

"THE WORLD WILL LITTLE NOTE NOR LONG REMEMBER WHAT

WE SAY HERE BUT IT CAN NEVER FORGET WHAT

THEY DID HERE.

IT IS FOR US THE LIVING TO BE

DEDICATED HERE TO THE UNFINISHED WORK

THAT THEY WHO FOUGHT HERE HAVE THUS FAR

SO NOBLY ADVANCED."

IT IS IN THAT SPIRIT AND MINDFUL OF THAT UNFINISHED WORK

THAT I ASK YOU ALL TO RISE AND DRINK A TOAST

TO THE ENDURING ALLIANCE BETWEEN THE UNITED

STATES AND THE UNITED KINGDOM.



10 DOWNING STREET

THE PRIME MINISTER

Abraham Lincoln.

The world will little note
nor long remember what we say here
but it can never forget what they
did here. It is for us the living (rather)
to be dedicated here to the unfinitesimal work
that they who fought here have thus far
so nobly advanced.

Lincoln.

One truth must rule all we
think and all we do. The unity of
all who dwell in freedom is their only
sure defense.

SPEECH BY THE PRIME MINISTER AT LUNCH FOR
PRESIDENT REAGAN - 8 JUNE

← We are here today to welcome and ~~do~~ honour ~~to~~ our
great ally - the United States of America.

← Mr. President, Mrs. Reagan - it is a ~~great honour~~ ^{privilege}
and pleasure to have you both here with us.

→ It is rare enough to have an American President as a
guest at No. 10. But my researches have been
unable to find out when we last had the honour of the
First Lady with us as well.

~~Mr. President~~
Your presence ^{gives} me and indeed many of our guests
a chance to repay as best we can the hospitality
you bestowed on us when we were your first official
guests from abroad (~~in Washington~~) at the beginning
of your Presidential term of office. I realise
that you have become accustomed recently to taking
your meals in grander places - the Palace of
Versailles, Windsor Castle. As you can see,
this is a very simple house, but one which has
witnessed the shaping of our shared history since
it first became the abode of Prime Ministers in
1732.

/ Some of us

2.

Some of us were present a short time ago to hear your magnificent speech to members of both Houses of Parliament in the historic setting of the Royal Gallery. It was, if I may say so, an exceedingly hard act to follow. So I shall say only a few words.

SUPPORT OUR FALKLANDS.

Much has been said and read over the years, Mr. President, about the relations between our two countries. There is no need for me to add to the generalities on the subject today, because we have had before our eyes in recent weeks the most concrete expression of what in practice our friendship means. I refer to your awareness of our readiness to resist aggression in the Falklands even at great sacrifice: and to our awareness of your readiness to give support to us even at considerable cost to American interests.

It is this preparedness on both sides for sacrifices in the common interest and the wider interest that characterises our partnership: and I should like to pay tribute to you Mr. President and to you Mr. Secretary Haig, whom I also greet here heartily today, and through you to the American people for your predictably generous response. Believe me, Mr. President, we do not take it for granted. We are grateful to the depth of our national being.

/Mr. President,

3.

MISSION TO EUROPE

Mr. President, your mission to London and to other capitals of Europe is a remarkable one, and we are fully conscious both of its symbolism and substance.

From the day you took office you were determined to breathe new life into the alliance. L You recognised how central your allies were to America's interests and vice versa - that no country, however strong, can remain an island in the modern world.

I want you to know how fully we reciprocate your conviction about the need for a dynamic two-way alliance.

We here also realise, Mr. President, what you have ^{American} done both to increase immediate / military strength and to reanimate talks on arms reductions - objectives that must go hand in hand.

You have seized the initiative in East-West relations and, as seen by us in Western Europe, that is already a considerable achievement.

OPEN TRADE

May I also ~~signal~~ ^{stress} what ~~above all~~ you stand for in international economic life, your commitment to an open world trade system, whatever the immediate pressures for restriction. That is our role, too, and we will struggle for it alongside you.

/ Both before

One of your predecessors President Eisenhower put it so well when he said "One must make all we think and all we do. The unity of all who dwell in freedom is their only true defence."

4.

FRIENDSHIP

Both before and since you took office, Mr. President,
I have come to know you as a personal friend:

- who can be relied on in times of ^{danger} ~~change~~;
- who is not going to compromise on the values
of the free world;
- who seeks the reduction of world tensions
and the strengthening of world security;
- who will do everything possible to encourage
creative enterprise and initiative;
- who wants the individual to flourish in
freedom, in justice and in peace.

I have found in my three years in this office, as
I am sure my predecessors have done, that there
is one further characteristic that is dominant for
those concerned with policy. I refer to our
ability to discuss problems of common interest, (which
means of course in today's world practically every
issue in public life) - to discuss them freely and
candidly, not necessarily always agreeing, but giving
and taking advice as family friends, ~~without~~
~~commitment and~~ without exciting anxiety or envy.

/ You, Mr. President,

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Foreign and Commonwealth Office

London SW1A 2AH

8 June, 1982

Dear John,

Existing Contracts (John Brown)

I enclose a draft brief, in case the Prime Minister wishes to raise this tomorrow morning with President Reagan. If the subject is discussed when officials of both sides are present we can be reasonably certain that the Americans will record the discussion and follow it up afterwards.

I am sending copies of this letter and enclosure to the Private Secretaries to the Chancellor of the Exchequer, the Secretary of State for Trade, the Secretary of State for Industry and Sir Robert Armstrong.

Yours ever,

A handwritten signature in dark ink, appearing to read 'Francis N. Richards'.

(F N Richards)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street

CONFIDENTIAL

EXISTING CONTRACTS (JOHN BROWN)

POINTS TO MAKE

1. We spoke about this at Versailles. Can you now agree to release the components for our contracts blocked by your measures of 29 December last? If not may I have an answer within the week? Otherwise a good British engineering company will have to show substantial losses in its annual accounts due for publication next month.
2. You have linked release of these components to progress on limiting supply of credits to Soviet Union. We have done our best to be helpful on this issue. In light of agreement at Versailles on credit there is no further obstacle to release of components.
3. Would remove growing irritant in relations between United States and Western Europe. FRG and Italy also affected. If European factories close and workers are dismissed because of your measures transatlantic relations are bound to suffer. Russians would be only ones to benefit from open transatlantic strains. This episode illustrates need for Allies to act together in East-West context.
4. Believe it is generally undesirable to interfere with signed legal contracts like these. NATO contingency planning for Soviet invasion of Poland exempted existing contracts to avoid legal and political problems. In any case, interference will only encourage British companies to look elsewhere (eg. Japan) for manufacturing licenses and know-how. Surely this is not what you would wish.



ESSENTIAL FACTS

1. President Reagan's measures of 29 December in Polish context, announced unilaterally and without Allied consultation, have prevented the export and re-export to the Soviet Union of US made components, including rotors, for turbines manufactured by John Brown and FRG and Italian companies, purchased last year by the Soviet Union for the Siberian Gas Pipeline. The American action has prevented the European companies carrying out their contracts. John Brown cannot afford to wait any longer.
2. Prime Minister's two messages requesting the release of these components have not been answered. Americans linked release to progress on their proposals to summit partners to curtail supply of official credits to Soviet Union.
3. Other Summit Countries reluctant to commit themselves to mechanisms for controlling credit flows. Versailles Declaration noted need for 'commercial prudence in limiting export credits' to the Soviet Union.
4. American Administration divided over whether to exempt components: State Department in favour of giving ground, Departments of Commerce and Defense reportedly opposed. Washington officials have told us that only a direct request to the President is likely to break the logjam.

Mr. Whitmore

PRIME MINISTER

Lunch for the President of the United States
of America and Mrs. Reagan - Tuesday, 8 June

I attach a revised list of guests attending the
lunch tomorrow together with a revised seating plan.

Sue Goodchild

7 June 1982

c.c. Mr. Denis Thatcher
Miss Carol Thatcher
✓ Mr. Clive Whitmore
Mr. Ian Gow
Professor Alan Walters

LIST OF GUESTS ATTENDING THE LUNCHEON TO BE GIVEN BY THE PRIME MINISTER
AND MR. DENIS THATCHER IN HONOUR OF THE PRESIDENT OF THE UNITED STATES
AMERICA AND MRS. REAGAN ON TUESDAY, 8 JUNE 1982 AT 12.45 FOR 1.00 PM

The Prime Minister
and Mr. Denis Thatcher

Miss Carol Thatcher

The Hon. Ronald Reagan President of the United States of
and Mrs. Reagan America

The Hon. Alexander M. Haig Jr Secretary of State
and Mrs. Haig

His Excellency the Ambassador of the United States of America
and Mrs. Louis

The Hon. Edwin Meese III Counsellor to the President

The Hon. Michael K. Deaver Deputy Chief of Staff and Assistant
to the President

The Hon. William P. Clark Assistant to the President for
National Security Affairs

The Hon. Richard G. Darman Assistant to the President, Deputy
to the Chief of Staff and Staff
Secretary

The Hon. David R. Gergen Assistant to the President for
Communications

The Hon. Edward V. Hickey Jr Assistant to the President and
Director of Special Support Services

The Hon. Michael A. McManus Deputy Assistant to the President
and Deputy to the Deputy Chief of Staff

Mr. Robert De Prospero Special Assistant to the President

The Hon. Richard R. Burt Assistant Secretary (Designate)
of State for European Affairs

The Hon. James Rosebush Deputy Assistant to the President,
Director Office of the First Lady

British Suite

The Hon. Mary Morrison Lady-in-Waiting

The Lord Somerleyton Lord-in-Waiting

Sir Nicholas Henderson HM Ambassador, Washington
and Lady Henderson

Squadron Leader Adam Wise Equerry attached to the President

HM Government

Rt. Hon. Lord Hailsham of St. Marylebone

Lord Chancellor

Rt. Hon. Sir Geoffrey Howe, MP
and Lady Howe

Chancellor of the Exchequer

Rt. Hon. Francis Pym, MP
and Mrs. Pym

Foreign and Commonwealth Secretary

Rt. Hon. John Nott, MP
and Mrs. Nott

Defence Secretary

Parliament

Rt. Hon. The Speaker

Rt. Hon. Lord Home of the Hirsel
and Lady Home of the Hirsel

Rt. Hon. James Callaghan, MP

Rt. Hon. Denis Healey, MP
and Mrs. Healey

Business, Commerce and Finance

Mr. Peter Walters
and Mrs. Walters

Chairman, British Petroleum

Mr. Ian MacGregor
and Mrs. MacGregor

Chairman and Chief Executive,
British Steel Corporation

Sir Gordon White

Co-founder Hanson Trust Ltd.
Chairman, Hanson International

Others

The Hon. Sir Peter Ramsbotham
and Lady Ramsbotham

Mr. Tom Stoppard
and Mrs. Stoppard

playwright and novelist

Mr. Bryan Forbes
and Mrs. Forbes

film producer

Mr. Hugh Hudson
and Mrs. Hudson

film director (Chariots of Fire)

Mr. Nigel Havers

actor

Officials

Sir Robert Armstrong

Secretary of the Cabinet

Sir John Mason
and Lady Mason

HM High Commissioner, Canberra

Mr. Julian Bullard
and Mrs. Bullard

Foreign and Commonwealth Office

Ministry of Defence

General Sir Edwin Bramall
and Lady Bramall

Chief of General Staff

Admiral Sir Henry Leach
and Lady Leach

Chief of Naval Staff. First
Sea Lord

Admiral Sir John Fieldhouse
and Lady Fieldhouse

Commander-in-Chief Fleet

10 Downing Street

Mr. Clive Whitmore

Principal Private Secretary

Mr. Ian Gow, MP

Parliamentary Private Secretary

Professor Alan Walters
and Mrs. Walters

Economic Adviser

THE HON. RONALD REAGAN

The Hon. Alexander M. Haig Jr

Lady Howe

Mrs. Francis Pym

MR. DENIS THATCHER

Rt. Hon. The Speaker

MRS. REAGAN

Mrs. Haig

Rt. Hon. Lord Hailsham
of St. Marylebone

Rt. Hon. Francis Pym

Rt. Hon. John Nott

Rt. Hon. Sir Geoffrey Howe

The Lady Home of the Hirsell

HE The Ambassador of the
United States of America

The Hon. Edwin Meese III

Mrs. Louis

The Hon. Michael K. Deaver

Mrs. Nott

Rt. Hon. James Callaghan

Rt. Hon. Lord Home of the
Hirsell

The Hon. Mary Morrison

Sir Nicholas Henderson

Lady Henderson

The Hon. Richard G. Darman

The Hon. William P. Clark

Lady Bramall

The Hon. David R. Gergen

Mrs. Healey

Rt. Hon. Denis Healey

Sir Robert Armstrong

Lady Mason

The Lord Somerleyton

Lady Ramsbotham

The Hon. Edward V. Hickey Jr

General Sir Edwin Bramall

Lady Leach

Admiral Sir Henry Leach

Sir Gordon White

Mrs. MacGregor

Mr. Peter Walters

Mrs. Stoppard

Mrs. Peter Walters

Admiral Sir John Fieldhouse

Mr. Ian MacGregor

Sir John Mason

The Hon. Sir Peter Ramsbotham

The Hon. Michael A. McManus

The Hon. Robert De Prospero

Mrs. Forbes

Lady Fieldhouse

Mr. Tom Stoppard

Mrs. Bullard

Mr. Hugh Hudson

The Hon. Richard R. Burt

Miss Carol Thatcher

The Hon. James Rosebush

Mr. Ian Gow

Mr. Julian Bullard

Mr. Bryan Forbes

Mrs. Hudson

Mr. Nigel Havers

Professor Alan Walters

Mrs. Alan Walters

Squadron Leader Adam Wise

Mr. Clive Whitmore

ENTRANCE

REVISED

Mr Rickett (for information)

MH

LIST OF GUESTS ATTENDING THE LUNCHEON TO BE GIVEN BY THE PRIME MINISTER AND MR. DENIS THATCHER IN HONOUR OF THE PRESIDENT OF THE UNITED STATES OF AMERICA AND MRS. REAGAN ON TUESDAY, 8 JUNE 1982 AT 12.45 FOR 1.00 PM

The Prime Minister
and Mr. Denis Thatcher

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The Hon. Ronald Reagan President of the United States of
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The Hon. Alexander M. Haig Jr Secretary of State
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National Security Affairs

The Hon. Richard G. Darman Assistant to the President, Deputy
to the Chief of Staff and Staff
Secretary

The Hon. David R. Gergen Assistant to the President for
Communications

The Hon. Edward V. Hickey Jr Assistant to the President and
Director of Special Support Services

The Hon. Michael A. McManus Deputy Assistant to the President
and Deputy to the Deputy Chief of Staff

Mr. Robert De Prospero Special Assistant to the President

The Hon. Richard R. Burt Assistant Secretary (Designate)
of State for European Affairs

The Hon. James Rosebush Deputy Assistant to the President,
Director Office of the First Lady

British Suite

The Hon. Mary Morrison Lady-in-Waiting

The Lord Somerleyton Lord-in-Waiting

Sir Nicholas Henderson HM Ambassador, Washington
and Lady Henderson

Squadron Leader Adam Wise Equerry attached to the President

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Rt. Hon. Sir Geoffrey Howe, MP and Lady Howe	Chancellor of the Exchequer
Rt. Hon. Francis Pym, MP and Mrs. Pym	Foreign and Commonwealth Secretary
Rt. Hon. John Nott, MP and Mrs. Nott	Defence Secretary

Parliament

Rt. Hon. The Speaker

Rt. Hon. Lord Home of the Hirsel
and Lady Home of the Hirsel

Rt. Hon. James Callaghan, MP

Rt. Hon. Denis Healey, MP
and Mrs. Healey

Business, Commerce and Finance

Mr. Peter Walters and Mrs. Walters	Chairman, British Petroleum
Mr. Ian MacGregor and Mrs. MacGregor	Chairman and Chief Executive, British Steel Corporation
Sir Gordon White	Co-founder Hanson Trust Ltd.
<u>Others</u>	Chairman, Hanson International

The Hon. Sir Peter Ramsbotham
and Lady Ramsbotham

Mr. Tom Stoppard and Mrs. Stoppard	playwright and novelist
Mr. Bryan Forbes and Mrs. Forbes	film producer
Mr. Hugh Hudson and Mrs. Hudson	film director (Chariots of Fire)
Mr. Nigel Havers	actor

Officials

Sir Robert Armstrong	Secretary of the Cabinet
Sir John Mason and Lady Mason	HM High Commissioner, Canberra
Mr. Julian Bullard and Mrs. Bullard	Foreign and Commonwealth Office

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and Lady Bramall

Chief of General Staff

Admiral Sir Henry Leach
and Lady Leach

Chief of Naval Staff. First
Sea Lord

Admiral Sir John Fieldhouse
and Lady Fieldhouse

Commander-in-Chief Fleet

10 Downing Street

Professor Alan Walters
and Mrs. Walters

Economic Adviser

Mr. John Coles
and Mrs. Coles

Private Secretary (Overseas Affairs)



Foreign and Commonwealth Office

London SW1A 2AH

7 June 1982

Dear Clive

President Reagan's Address

/ I enclose a text which has just reached us marked - as you will see - 'Final unless President changes'.

Yours ever
B J P

(B J P Fall)
Private Secretary

C A Whitmore Esq
10 Downing Street

June 8, 1982 - 2:00 p.m.

final unless
Pres. charges

Comments to
Mr. Palmer

ADDRESS TO THE PARLIAMENT, WESTMINSTER, LONDON, ENGLAND
TUESDAY, JUNE 8, 1982

Boyer

W. J.

MY LORD CHANCELLOR, MR. SPEAKER:

SPEAKING FOR ALL AMERICANS, I WANT TO SAY HOW VERY MUCH AT HOME WE FEEL IN YOUR HOUSE. EVERY AMERICAN WOULD, BECAUSE THIS IS ONE OF DEMOCRACY'S SHRINES. HERE THE RIGHTS OF FREE PEOPLE AND THE PROCESSES OF REPRESENTATION HAVE BEEN DEBATED AND REFINED.

~~AND I CANNOT ALLOW THIS MOMENT TO PASS WITHOUT RECALLING THE GENEROUS WORDS OF THE MEMBER FOR BRISTOL, MR. BURKE, CONCERNING CONCILIATION WITH THE REBELLIOUS COLONISTS IN NORTH AMERICA.~~

Clarify

IT HAS BEEN SAID THAT AN INSTITUTION IS THE LENGTHENING SHADOW OF A MAN. THIS INSTITUTION IS THE LENGTHENING SHADOW OF ALL THE MEN AND WOMEN WHO HAVE SAT HERE, AND ALL THOSE WHO HAVE VOTED TO SEND REPRESENTATIVES HERE. HERE IS THE PREEMINENT SYMBOL OF GOVERNMENT WITH A FRIENDLY FACE.

THIS IS MY SECOND VISIT TO GREAT BRITAIN AS PRESIDENT OF THE UNITED STATES.

MY FIRST OPPORTUNITY TO STAND ON BRITISH SOIL OCCURRED ALMOST A YEAR AND A HALF AGO WHEN YOUR PRIME MINISTER GRACIOUSLY HOSTED A DIPLOMATIC DINNER AT THE BRITISH EMBASSY IN WASHINGTON. MRS. THATCHER SAID THEN SHE HOPED THAT I WAS NOT DISTRESSED TO FIND STARING DOWN AT ME FROM THE GRAND STAIRCASE A PORTRAIT OF HIS ROYAL MAJESTY, KING GEORGE III. SHE SUGGESTED IT WAS BEST TO LET BYGONES BE BYGONES AND -- IN VIEW OF OUR TWO

COUNTRIES' REMARKABLE FRIENDSHIP IN SUCCEEDING YEARS -- SHE ADDED THAT MOST ENGLISHMEN TODAY WOULD AGREE WITH THOMAS JEFFERSON THAT "A LITTLE REBELLION NOW AND THEN IS A VERY GOOD THING."

I RESPONDED BY SAYING THAT I WAS ESPECIALLY PROUD THAT MY FIRST FOREIGN VISIT AS PRESIDENT WAS TO YOUR COUNTRY, AND THAT I ONLY HAD TO TRAVEL 15 CITY BLOCKS FROM THE WHITE HOUSE TO DO IT.

FROM HERE I WILL GO TO BONN, AND THEN BERLIN, WHERE THERE STANDS A GRIM SYMBOL OF POWER UNTAMED. THE BERLIN WALL, THAT DREADFUL GRAY GASH ACROSS THE CITY, IS IN ITS THIRD DECADE. IT IS THE FITTING SIGNATURE OF THE REGIME THAT BUILT IT. AND A FEW HUNDRED KILOMETERS BEHIND THE BERLIN WALL THERE IS ANOTHER SYMBOL. IN THE CENTER OF WARSAW THERE IS A SIGN THAT NOTES THE DISTANCES TO TWO CAPITALS. IN ONE DIRECTION IT POINTS TOWARD MOSCOW. IN THE OTHER IT POINTS TOWARD BRUSSELS, HEADQUARTERS OF WESTERN EUROPE'S TANGIBLE UNITY. THE MARKER SAYS THAT THE DISTANCES FROM WARSAW TO MOSCOW AND WARSAW TO BRUSSELS ARE EQUAL. THE SIGN MAKES THIS POINT: POLAND IS NOT EAST OR WEST. POLAND IS AT THE CENTER OF EUROPEAN CIVILIZATION. IT HAS CONTRIBUTED MIGHTILY TO THAT CIVILIZATION. IT IS DOING SO TODAY BY BEING MAGNIFICENTLY UNRECONCILED TO OPPRESSION.

| Secret

POLAND'S STRUGGLE TO BE POLAND, AND TO SECURE THE BASIC RIGHTS WE TAKE FOR GRANTED, DEMONSTRATES WHY WE DARE NOT TAKE THOSE RIGHTS FOR GRANTED. GLADSTONE, DEFENDING THE REFORM BILL OF 1866, DECLARED: "YOU CANNOT FIGHT AGAINST

THE FUTURE. TIME IS ON OUR SIDE." IT WAS EASIER TO BELIEVE IN THE INEVITABLE MARCH OF DEMOCRACY IN GLADSTONE'S DAY -- IN THAT HIGH NOON OF VICTORIAN OPTIMISM.

WE ARE APPROACHING THE END OF A BLOODY CENTURY PLAGUED BY A TERRIBLE POLITICAL INVENTION -- TOTALITARIANISM. OPTIMISM COMES LESS EASILY TODAY, NOT BECAUSE DEMOCRACY IS LESS VIGOROUS, BUT BECAUSE DEMOCRACY'S ENEMIES HAVE REFINED THEIR INSTRUMENTS OF REPRESSION. BUT OPTIMISM IS IN ORDER BECAUSE, DAY BY DAY, DEMOCRACY IS PROVING ITSELF TO BE A NOT-AT-ALL FRAGILE FLOWER.

FROM SCZCECIN ON THE BALTIC TO VARNA ON THE BLACK SEA, THE REGIMES PLANTED BY TOTALITARIANISM HAVE HAD MORE THAN 30 YEARS TO ESTABLISH THEIR LEGITIMACY. BUT NONE -- NOT ONE REGIME -- HAS YET BEEN ABLE TO RISK FREE ELECTIONS. REGIMES PLANTED BY BAYONETS DO NOT TAKE ROOT.

THE STRENGTH OF THE SOLIDARITY MOVEMENT IN POLAND DEMONSTRATES THE TRUTH TOLD IN AN UNDERGROUND JOKE IN THE SOVIET UNION. IT IS THAT THE SOVIET UNION WOULD REMAIN A ONE-PARTY NATION EVEN IF AN OPPOSITION PARTY WERE PERMITTED -- BECAUSE EVERYONE WOULD JOIN THAT PARTY.

AMERICA'S TIME AS A PLAYER ON THE STAGE OF WORLD HISTORY HAS BEEN BRIEF. I THINK REALIZATION OF THIS FACT HAS ALWAYS MADE YOU PATIENT WITH YOUR YOUNGER COUSINS. WELL, NOT ALWAYS PATIENT. I DO RECALL THAT ON ONE OCCASION SIR WINSTON CHURCHILL SAID IN EXASPERATION ABOUT ONE OF OUR MOST DISTINGUISHED DIPLOMATS: "HE IS THE ONLY CASE I KNOW OF A BULL WHO CARRIES HIS CHINA SHOP WITH HIM."

WITTY AS SIR WINSTON WAS, HE ALSO HAD THAT SPECIAL ATTRIBUTE OF GREAT STATESMEN: THE GIFT OF VISION, THE WILLINGNESS TO SEE THE FUTURE BASED ON THE EXPERIENCE OF THE PAST.

IT IS THIS SENSE OF HISTORY, THIS UNDERSTANDING OF THE PAST, THAT I WANT TO TALK WITH YOU ABOUT TODAY, FOR IT IS IN REMEMBERING WHAT WE SHARE OF THE PAST THAT OUR TWO NATIONS CAN MAKE COMMON CAUSE FOR THE FUTURE.

WE HAVE NOT INHERITED AN EASY WORLD -- IF DEVELOPMENTS LIKE THE INDUSTRIAL REVOLUTION, WHICH BEGAN HERE IN ENGLAND, AND THE GIFTS OF SCIENCE AND TECHNOLOGY HAVE MADE LIFE MUCH EASIER FOR US -- THEY HAVE ALSO MADE IT MORE DANGEROUS. THERE ARE THREATS NOW TO OUR FREEDOM, INDEED, TO OUR VERY EXISTENCE, THAT OTHER GENERATIONS COULD NEVER EVEN HAVE IMAGINED.

THERE IS, FIRST, THE THREAT OF GLOBAL WAR. NO PRESIDENT, NO CONGRESS, NO PRIME MINISTER, NO PARLIAMENT EVER SPENT A DAY ENTIRELY FREE OF THIS THREAT. AND I DON'T HAVE TO TELL YOU THAT IN TODAY'S WORLD, THE EXISTENCE OF NUCLEAR WEAPONS COULD MEAN, IF NOT THE EXTINCTION OF MANKIND, THEN SURELY THE END OF CIVILIZATION AS WE KNOW IT.

THAT IS WHY THE ^{negotiations on intermediate range nuclear forces} ~~I.N.F. TALKS CURRENTLY GOING ON IN~~ EUROPE AND THE "START" TALKS, WHICH WILL BEGIN LATER THIS MONTH, ARE NOT JUST CRITICAL TO AMERICAN OR WESTERN POLICY; THEY ARE CRITICAL TO MANKIND. OUR COMMITMENT TO EARLY SUCCESS IN THESE NEGOTIATIONS IS FIRM AND UNSHAKABLE.

AT THE SAME TIME, THERE IS A THREAT POSED TO HUMAN FREEDOM BY THE ENORMOUS POWER OF THE MODERN STATE. HISTORY TEACHES THE DANGERS OF GOVERNMENT THAT OVERREACHES: POLITICAL CONTROL TAKING PRECEDENCE OVER FREE ECONOMIC GROWTH, SECRET POLICE, MINDLESS BUREAUCRACY -- ALL COMBINING TO STIFLE INDIVIDUAL EXCELLENCE AND PERSONAL FREEDOM. HISTORY TEACHES THE DANGERS OF GOVERNMENTS WHICH BECOME MORE CONCERNED WITH THEIR OWN POWER AND PROCEDURES THAN WITH THE PEOPLE THEY ARE SUPPOSED TO SERVE. INDEED, THE VERY COMPLAINTS LISTED IN OUR OWN DECLARATION OF INDEPENDENCE -- COMPLAINTS WHOSE JUSTICE WAS ARGUED FOR IN THIS PARLIAMENT BY SUCH GREAT STATESMEN AS BURKE AND FOX -- READ IN MANY WAYS LIKE A LIST OF COMPLAINTS AGAINST THE ABUSES OF THE MODERN STATE. SILENT ENCROACHMENT BY GOVERNMENT HAS ALWAYS POSED THE MOST SERIOUS AND ENDURING THREAT TO THE FREEDOM OF MAN.

MANY OF US IN THE WEST HAVE LONG ARGUED AGAINST THE IMPULSE TO USE THE POWER OF THE STATE FOR UTOPIAN ENDS BECAUSE WE BELIEVE IT LEADS TO UNNECESSARY GOVERNMENT INTRUSIONS INTO THE LIVES OF INDIVIDUALS, ROBBING THEM OF INITIATIVE, DIGNITY AND SELF-RESPECT. NOW I AM AWARE THAT AMONG US HERE AND THROUGHOUT EUROPE, THERE IS LEGITIMATE DISAGREEMENT OVER THE EXTENT TO WHICH THE PUBLIC SECTOR SHOULD PLAY A ROLE IN A NATION'S ECONOMY AND LIFE. BUT ON ONE POINT ALL OF US ARE UNITED: OUR ABHORRENCE OF ^{dictatorship} ~~TYRANNY~~ IN ALL ITS FORMS; BUT MOST PARTICULARLY TOTALITARIANISM ✓ AND THE TERRIBLE INHUMANITIES IT HAS CAUSED IN OUR TIME: AUSCHWITZ AND DACHAU, THE GREAT PURGE, THE GULAG ARCHIPELAGO AND CAMBODIA.

HISTORIANS LOOKING BACK AT OUR TIME WILL GAZE IN WONDER AT OUR OWN RESTRAINT AND SELF-DOUBT. THEY WILL NOTE THAT IT WAS THE DEMOCRACIES WHO REFUSED TO USE THEIR NUCLEAR MONOPOLY IN THE FORTIES AND EARLY FIFTIES FOR TERRITORIAL OR IMPERIAL GAIN. HAD THAT NUCLEAR MONOPOLY BEEN IN THE HANDS OF THE COMMUNIST WORLD, THE MAP OF EUROPE, INDEED, THE WORLD, WOULD LOOK VERY DIFFERENT TODAY. AND CERTAINLY THEY WILL NOTE IT WAS NOT THE DEMOCRACIES THAT INVADED AFGHANISTAN, OR SUPPRESSED POLISH SOLIDARITY, OR USED CHEMICAL AND TOXIN WARFARE IN AFGHANISTAN AND SOUTHEAST ASIA.

SURELY THOSE HISTORIANS WILL FIND IN THE COUNCILS OF THOSE WHO PREACHED THE SUPREMACY OF THE STATE...THE FOCUS OF EVIL. IT WAS YOUR OWN C. S. LEWIS WHO SAW SO WELL THE VIRULENCE AND THE DANGER OF THE POLICE STATE WHEN HE WROTE:

"THE GREATEST EVIL IS NOT NOW DONE IN THOSE SORDID 'DENS OF CRIME' THAT DICKENS LOVED TO PAINT. IT IS NOT DONE EVEN IN CONCENTRATION CAMPS AND LABOUR CAMPS. IN THOSE WE SEE ITS FINAL RESULT. BUT IT IS CONCEIVED AND ORDERED (MOVED, SECONDED, CARRIED AND MINUTED) IN CLEAN, CARPETED, WARMED, AND WELL-LIGHTED OFFICES, BY QUIET MEN WITH WHITE COLLARS AND CUT FINGERNAILS AND SMOOTH-SHAVEN CHEEKS WHO DO NOT NEED TO RAISE THEIR VOICE."

BECAUSE THESE "QUIET MEN" DO NOT "RAISE THEIR VOICES," BECAUSE THEY SOMETIMES SPEAK IN SOOTHING TONES OF BROTHERHOOD AND PEACE, BECAUSE LIKE HITLER THEY ARE ALWAYS MAKING "THEIR FINAL TERRITORIAL DEMAND," SOME WOULD HAVE US ACCEPT THEM AT THEIR WORD AND ACCOMMODATE OURSELVES TO THEIR AGGRESSIVE

IMPULSES. BUT, IF HISTORY TEACHES ANYTHING, IT TEACHES:
SELF-DELUSION IN THE FACE OF UNPLEASANT FACTS IS FOLLY.

WE SEE AROUND US TODAY ALL THE EARMARKS OF OUR TERRIBLE
DILEMMA -- ON THE ONE HAND: PREDICTIONS OF DOOMSDAY,
ANTI-NUCLEAR DEMONSTRATIONS, AN ARMS RACE IN WHICH THE WEST
MUST FOR ITS OWN PROTECTION BE AN UNWILLING PARTICIPANT.
IN AWFUL COUNTERPOINT, WE SEE THE MARCH OF THOSE WHO SEEK
DISRUPTION AND CONFLICT THROUGHOUT THE WORLD, CONFLICT THEY
HOPE WILL FURTHER A "CLEAN," "WELL-LIGHTED," THOROUGHLY
MODERN -- BUT THOROUGHLY BARBAROUS -- ASSAULT ON THE HUMAN
SPIRIT CALLED MARXISM-LENINISM.

WHAT, THEN, IS OUR COURSE? MUST CIVILIZATION PERISH --
IN A HAIL OF FIERY ATOMS? MUST FREEDOM WITHER -- IN A QUIET,
DEADENING ACCOMMODATION WITH TOTALITARIAN EVIL? SIR WINSTON
CHURCHILL REFUSED TO ACCEPT THE INEVITABILITY OF WAR OR EVEN
THAT IT WAS IMMINENT. HE SAID:

"I DO NOT BELIEVE THAT SOVIET RUSSIA DESIRES WAR. WHAT
THEY DESIRE IS THE FRUITS OF WAR AND THE INDEFINITE EXPANSION
OF THEIR POWER AND DOCTRINES. BUT WHAT WE HAVE TO CONSIDER
HERE TODAY WHILE TIME REMAINS, IS THE PERMANENT PREVENTION
OF WAR AND THE ESTABLISHMENT OF CONDITIONS OF FREEDOM AND
DEMOCRACY AS RAPIDLY AS POSSIBLE IN ALL COUNTRIES."

THIS IS PRECISELY OUR MISSION TODAY. WE LIVE NOW AT A
TURNING POINT IN TIME. IT MAY NOT BE EASY TO SEE BUT I BELIEVE
THAT MOMENT IS UPON US.

IN AN IRONIC SENSE, ³KARL MARX WAS RIGHT. WE ARE WITNESSING
TODAY A GREAT REVOLUTIONARY CRISIS -- A CRISIS WHERE THE DEMANDS

OF THE ECONOMIC ORDER ARE COLLIDING DIRECTLY WITH THOSE OF THE POLITICAL ORDER. BUT THE CRISIS IS HAPPENING NOT IN THE FREE, NON-MARXIST WEST, BUT IN THE HOME OF MARXISM-LENINISM, THE SOVIET UNION. IT IS THE SOVIET UNION THAT RUNS AGAINST THE TIDE OF HISTORY BY DENYING FREEDOM AND HUMAN DIGNITY TO ITS CITIZENS. IT ALSO IS IN DEEP ECONOMIC DIFFICULTY. THE RATE OF GROWTH IN THE SOVIET GROSS NATIONAL PRODUCT HAS BEEN STEADILY DECLINING SINCE THE FIFTIES AND IS LESS THAN HALF OF WHAT IT WAS THEN. THE DIMENSIONS OF THIS FAILURE ARE ASTOUNDING; A COUNTRY WHICH EMPLOYS ONE-FIFTH ^{quarter} OF ITS POPULATION IN AGRICULTURE IS UNABLE TO FEED ITS OWN PEOPLE. WERE IT NOT FOR THE TINY PRIVATE SECTOR TOLERATED IN SOVIET AGRICULTURE, THE COUNTRY MIGHT BE ON THE BRINK OF FAMINE. THESE PRIVATE PLOTS OCCUPY A BARE 3 PERCENT OF THE ARABLE LAND BUT ACCOUNT FOR NEARLY ONE-QUARTER OF SOVIET FARM OUTPUT AND NEARLY ONE-THIRD OF MEAT PRODUCTS AND VEGETABLES. ✓

OVERCENTRALIZED, WITH LITTLE OR NO INCENTIVES, YEAR AFTER YEAR THE SOVIET SYSTEM POURS ITS BEST RESOURCE INTO THE MAKING OF INSTRUMENTS OF DESTRUCTION. THE CONSTANT SHRINKAGE OF ECONOMIC GROWTH COMBINED WITH THE GROWTH OF MILITARY PRODUCTION IS PUTTING A HEAVY STRAIN ON THE SOVIET PEOPLE.

WHAT WE SEE HERE IS THE CLASSIC SITUATION OF A POLITICAL STRUCTURE THAT NO LONGER CORRESPONDS TO ITS ECONOMIC BASE, A SOCIETY WHERE PRODUCTIVE FORCES ARE HAMPERED BY POLITICAL ONES. IT IS POSSIBLE THAT RESOLUTION OF THIS INTERNAL CONFLICT COULD LEAD TO LIBERALIZATION IN THE SOVIET UNION. BUT THERE IS

ALSO THE DANGER THAT THE FEAR OF THIS POTENTIALLY REVOLUTIONARY SITUATION WILL CONTINUE TO TEMPT THE SOVIET LEADERSHIP TOWARD AGGRESSION -- AGGRESSION THAT ALLOWS IT TO MOBILIZE ITS UNHAPPY MASSES WITH CHAUVINISTIC SLOGANS AND DIVERTS THEM FROM DOMESTIC NEEDS.

THE DECAY OF THE SOVIET EXPERIMENT SHOULD COME AS NO SURPRISE TO US. WHEREVER THE COMPARISONS HAVE BEEN MADE BETWEEN FREE AND CLOSED SOCIETIES -- WEST GERMANY AND EAST GERMANY, AUSTRIA AND CZECHOSLOVAKIA, MALAYSIA AND VIETNAM -- IT IS THE DEMOCRATIC COUNTRIES THAT ARE PROSPEROUS AND RESPONSIVE TO THE NEEDS OF THEIR PEOPLE. AND IT IS ONE OF THE SIMPLE BUT OVERWHELMING FACTS OF OUR TIME: OF ALL THE MILLIONS OF REFUGEES WE HAVE SEEN IN THE MODERN WORLD THEIR FLIGHT IS ALWAYS AWAY FROM, NOT TOWARD, THE COMMUNIST WORLD. TODAY ON THE "NATO" LINE, OUR MILITARY FORCES FACE EAST TO PREVENT A POSSIBLE INVASION. ON THE OTHER SIDE OF THE LINE THE SOVIET FORCES ALSO FACE EAST -- TO PREVENT THEIR PEOPLE FROM LEAVING.

THE HARD EVIDENCE OF TOTALITARIAN RULE HAS CAUSED IN MANKIND AN UPRISING OF THE INTELLECT AND WILL. WHETHER IT IS THE GROWTH OF THE NEW SCHOOLS OF ECONOMICS IN AMERICA OR ENGLAND OR THE APPEARANCE OF THE SO-CALLED "NEW PHILOSOPHERS" IN FRANCE, THERE IS ONE UNIFYING THREAD RUNNING THROUGH THE INTELLECTUAL WORK OF THESE GROUPS: REJECTION OF THE STATE'S RIGHT TO DICTATE SOCIAL CHANGE ARBITRARILY, THE REFUSAL TO SUBORDINATE THE RIGHTS OF THE INDIVIDUAL TO THE SUPERSTATE, THE REALIZATION THAT COLLECTIVISM STIFLES ALL THE BEST HUMAN IMPULSES.

SINCE THE EXODUS FROM EGYPT, HISTORIANS HAVE WRITTEN OF THOSE WHO SACRIFICED AND STRUGGLED FOR FREEDOM: THE STAND AT THERMOPYLAE, THE REVOLT OF SPARTICUS, THE STORMING OF THE BASTILLE, THE WARSAW UPRISING IN WORLD WAR II.

MORE RECENTLY WE HAVE SEEN EVIDENCE OF THIS SAME HUMAN IMPULSE IN ONE OF THE DEVELOPING NATIONS IN CENTRAL AMERICA. FOR MONTHS AND MONTHS THE WORLD NEWS MEDIA COVERED THE FIGHTING IN EL SALVADOR. DAY AFTER DAY WE WERE TREATED TO STORIES AND FILM SLANTED TOWARD THE BRAVE FREEDOM FIGHTERS BATTLING OPPRESSIVE GOVERNMENT FORCES IN BEHALF OF THE SILENT, SUFFERING PEOPLE OF THAT TORTURED COUNTRY.

THEN ONE DAY THOSE SILENT SUFFERING PEOPLE WERE OFFERED A CHANCE TO VOTE TO CHOOSE THE KIND OF GOVERNMENT THEY WANTED. SUDDENLY THE FREEDOM FIGHTERS IN THE HILLS WERE EXPOSED FOR WHAT THEY REALLY ARE: CUBAN-BACKED GUERILLAS WHO WANT POWER FOR THEMSELVES AND THEIR BACKERS, NOT DEMOCRACY FOR THE PEOPLE. THEY THREATENED DEATH TO ANY WHO VOTED AND DESTROYED HUNDREDS OF BUSES AND TRUCKS TO KEEP PEOPLE FROM GETTING TO THE POLLING PLACES. BUT ON ELECTION DAY THE PEOPLE OF EL SALVADOR, AN UNPRECEDENTED 1.4 MILLION OF THEM, BRAVED AMBUSH AND GUNFIRE, TRUDGING MILES TO VOTE FOR FREEDOM.

THEY STOOD FOR HOURS IN THE HOT SUN WAITING FOR THEIR TURN TO VOTE. MEMBERS OF OUR CONGRESS WHO WENT THERE AS OBSERVERS TOLD ME OF A WOMAN WOUNDED BY RIFLE FIRE WHO REFUSED TO LEAVE THE LINE TO HAVE HER WOUND TREATED UNTIL AFTER SHE HAD VOTED. A GRANDMOTHER, WHO HAD BEEN TOLD BY THE GUERILLAS SHE WOULD BE KILLED WHEN SHE RETURNED FROM THE POLLS, TOLD THE

GUERILLAS, "YOU CAN KILL ME, KILL MY FAMILY, KILL MY NEIGHBORS, BUT YOU CAN'T KILL US ALL." THE REAL FREEDOM FIGHTERS OF EL SALVADOR TURNED OUT TO BE THE PEOPLE OF THAT COUNTRY, THE YOUNG, THE OLD AND THE IN-BETWEEN. STRANGE, BUT THERE HAS BEEN LITTLE IF ANY NEWS COVERAGE OF THAT WAR SINCE THE ELECTION.

PERHAPS THEY'LL SAY IT'S BECAUSE THERE IS A NEWER WAR TO COVER NOW. YOUNG MEN ARE FIGHTING FOR BRITAIN ON SOME TINY ISLANDS IN THE SOUTH ATLANTIC. AND, YES, VOICES HAVE BEEN RAISED PROTESTING THEIR SACRIFICE FOR LUMPS OF ROCK AND EARTH SO FAR AWAY. BUT THOSE YOUNG MEN AREN'T FIGHTING FOR MERE REAL ESTATE. THEY FIGHT FOR A CAUSE, FOR THE BELIEF THAT ARMED AGGRESSION MUST NOT BE ALLOWED TO SUCCEED, AND THAT PEOPLE MUST PARTICIPATE IN THE DECISIONS OF GOVERNMENT.

RESISTING MILITARY AGGRESSION IS THE FOUNDATION OF WORLD PEACE AND THE RULE OF ORDER. IF THERE HAD BEEN FIRMER SUPPORT FOR THAT CAUSE SOME 45 YEARS AGO, PERHAPS OUR GENERATION WOULDN'T HAVE SUFFERED THE BLOODLETTING OF WORLD WAR II.

EVERYWHERE TODAY THE DEMOCRATIC REVOLUTION IS GATHERING NEW STRENGTH. IN INDIA, A CRITICAL TEST HAS BEEN PASSED WITH THE PEACEFUL CHANGE OF GOVERNING POLITICAL PARTIES. IN AFRICA, NIGERIA IS MOVING IN REMARKABLE AND UNMISTAKABLE WAYS TO BUILD AND STRENGTHEN ITS DEMOCRATIC INSTITUTIONS. IN THE CARIBBEAN AND CENTRAL AMERICA, 16 OF 24 COUNTRIES HAVE FREELY ELECTED GOVERNMENTS. AND IN THE UNITED NATIONS, 8 OF THE 10 DEVELOPING NATIONS WHICH HAVE JOINED THE BODY IN THE PAST 5 YEARS ARE DEMOCRACIES.

IN THE COMMUNIST WORLD AS WELL, MAN'S INSTINCTIVE DESIRE FOR FREEDOM AND SELF-DETERMINATION SURFACES AGAIN AND AGAIN. TO BE SURE, THERE ARE GRIM REMINDERS OF HOW BRUTALLY THE POLICE STATE ATTEMPTS TO SNUFF OUT THIS QUEST FOR SELF RULE: 1953 IN EAST GERMANY, 1956 IN HUNGARY, 1968 IN CZECHOSLOVAKIA, 1981 IN POLAND. BUT THE STRUGGLE CONTINUES IN POLAND AND WE KNOW THERE ARE EVEN THOSE WHO STRIVE AND SUFFER FOR FREEDOM WITHIN THE CONFINES OF THE SOVIET UNION ITSELF. HOW WE CONDUCT OURSELVES HERE IN THE WESTERN DEMOCRACIES WILL DETERMINE WHETHER THIS TREND CONTINUES.

NO, DEMOCRACY IS NOT A FRAGILE FLOWER; STILL IT NEEDS CULTIVATING. IF THE ^{rest of this century is to witness the gradual growth} 1980's ARE TO BE THE DECADE OF DEMOCRACY AND DEMOCRATIC IDEALS, WE MUST TAKE ACTIONS TO ASSIST THE CAMPAIGN FOR DEMOCRACY. ~~FOR THAT REASON~~ I HAVE LOOKED FORWARD TO TELLING YOU TODAY THAT WE IN AMERICA SHALL TAKE STEPS TOWARD REALIZING THIS GOAL. ^{same} ~~A BIPARTISAN GROUP OF AMERICAN LEADERS -- LEADERS OF OUR MAJOR POLITICAL PARTIES, THE CONGRESS, BUSINESS, LABOR AND OTHER MAJOR INSTITUTIONS OF AMERICAN SOCIETY -- WILL OVERSEE A STUDY TO DETERMINE HOW AMERICA CAN BEST CONTRIBUTE TO REPRESENTATIVE GOVERNMENT IN OTHER COUNTRIES. THE STUDY BY THIS BROAD COALITION OF PROMINENT AMERICANS WILL BE COMPLETED IN SIX MONTHS. I LOOK FORWARD TO RECEIVING THEIR RECOMMENDATIONS, AND TO WORKING WITH THESE INSTITUTIONS IN THE COMMON TASK OF STRENGTHENING DEMOCRACY THROUGHOUT THE WORLD.~~ ^{the largest}

SOME ARGUE THAT WE SHOULD ENCOURAGE DEMOCRATIC CHANGE IN RIGHT-WING DICTATORSHIPS, BUT NOT IN COMMUNIST REGIMES. TO ACCEPT

THIS PREPOSTEROUS NOTION -- AS SOME WELL-MEANING PEOPLE HAVE -- IS TO INVITE THE ARGUMENT THAT, ONCE COUNTRIES ACHIEVE A NUCLEAR CAPABILITY, THEY SHOULD BE ALLOWED AN UNDISTURBED REIGN OF TERROR OVER THEIR OWN CITIZENS. WOULD THOSE WHO COMPLAIN ABOUT THE UNITED STATES AND OTHER DEMOCRACIES ENGAGING IN A SERIOUS CONTEST OF IDEAS WITH THE COMMUNISTS ALSO COMPLAIN ABOUT A SIMILAR CONTEST OF IDEAS WITH NATIONS PRACTICING FASCISM OR RACISM? I DOUBT IT.

AS FOR THE SOVIET VIEW, LET US CONSULT COMMUNIST LEADERS THEMSELVES. REFLECTING THE APPROACH OF HIS PREDECESSORS AND PRESUMABLY HIS SUCCESSORS AS WELL, CHAIRMAN BREZHNEV REPEATEDLY HAS STRESSED THAT THE COMPETITION OF IDEAS AND SYSTEMS MUST CONTINUE AND THAT THIS IS ENTIRELY CONSISTENT WITH RELAXATION OF TENSIONS AND PEACE. WE ASK ONLY THAT THESE SYSTEMS BEGIN BY LIVING UP TO THEIR OWN CONSTITUTIONS, ABIDING BY THEIR OWN LAWS, AND COMPLYING WITH THE INTERNATIONAL OBLIGATIONS THEY HAVE UNDERTAKEN. WE ASK ONLY FOR A PROCESS, A DIRECTION, A BASIC CODE OF DECENCY -- NOT FOR AN INSTANT TRANSFORMATION.

IN THE NUCLEAR AGE, WE MUST FIND A SOUNDER BASIS FOR PEACE THAN NOW EXISTS. WE CANNOT IGNORE THE FACT THAT EVEN WITHOUT OUR ENCOURAGEMENT THERE HAVE BEEN AND WILL CONTINUE TO BE REPEATED EXPLOSIONS AGAINST REPRESSION IN DICTATORSHIPS. THE SOVIET UNION ITSELF IS NOT IMMUNE TO THIS REALITY. ANY SYSTEM IS INHERENTLY UNSTABLE THAT HAS NO PEACEFUL MEANS TO LEGITIMIZE ITS LEADERS. IN SUCH CASES, THE VERY REPRESSIVENESS OF THE STATE ULTIMATELY DRIVES PEOPLE TO RESIST IT -- IF NECESSARY, BY FORCE.

WHILE WE MUST BE CAUTIOUS ABOUT FORCING THE PACE OF CHANGE, WE MUST NOT HESITATE TO DECLARE OUR ULTIMATE OBJECTIVES AND TO TAKE CONCRETE ACTIONS TO MOVE TOWARDS THEM. WE MUST BE STAUNCH IN OUR CONVICTION THAT FREEDOM IS NOT THE SOLE PREROGATIVE OF A LUCKY FEW, BUT THE INALIENABLE AND UNIVERSAL RIGHT OF ALL HUMAN BEINGS. SO STATES THE UNITED NATIONS' UNIVERSAL DECLARATION OF HUMAN RIGHTS -- WHICH, AMONG OTHER THINGS, GUARANTEES FREE ELECTIONS.

THE OBJECTIVE I PROPOSE IS QUITE SIMPLE TO STATE: TO HELP ESTABLISH THE INFRASTRUCTURE OF DEMOCRACY -- THE SYSTEM OF A FREE PRESS, UNIONS, POLITICAL PARTIES, UNIVERSITIES -- WHICH ALLOWS A PEOPLE TO CHOOSE THEIR OWN WAY, TO DEVELOP THEIR OWN CULTURE, TO RECONCILE THEIR OWN DIFFERENCES THROUGH PEACEFUL MEANS.

THIS IS NOT CULTURAL IMPERIALISM; IT IS PROVIDING THE MEANS FOR GENUINE SELF-DETERMINATION AND PROTECTION FOR DIVERSITY. DEMOCRACY ALREADY FLOURISHES IN COUNTRIES WITH VERY DIFFERENT CULTURES AND HISTORICAL EXPERIENCES. IT WOULD BE CULTURAL CONDESCENSION, OR WORSE, TO SAY THAT ANY PEOPLE PREFER DICTATORSHIP TO DEMOCRACY. WHO WOULD VOLUNTARILY CHOOSE NOT TO HAVE THE RIGHT TO VOTE; DECIDE TO PURSUE ^{chase} GOVERNMENT PROPAGANDA, HANDOUTS INSTEAD OF INDEPENDENT NEWSPAPERS; PREFER GOVERNMENT TO WORKER CONTROLLED UNIONS; OPT FOR LAND TO BE OWNED BY THE STATE INSTEAD OF THOSE WHO TILL IT; WANT GOVERNMENT REPRESSION OF RELIGIOUS LIBERTY, A SINGLE POLITICAL PARTY INSTEAD OF A FREE CHOICE, A RIGID CULTURAL ORTHODOXY INSTEAD OF DEMOCRATIC TOLERANCE AND DIVERSITY?

IN CALLING UPON THE WEST TO OFFER CONCRETE AND OPEN ASSISTANCE TO THE FORCES OF DEMOCRACY -- TO HELP SCHOOLS, PUBLICATIONS, SOCIAL AND POLITICAL ORGANIZATIONS IN OTHER COUNTRIES -- THE NEW YORK TIMES RECENTLY CITED THESE ELOQUENT WORDS OF JOHN STUART MILL:

"THE DOCTRINE OF NON-INTERVENTION, TO BE A LEGITIMATE PRINCIPLE OF MORALITY, MUST BE ACCEPTED BY ALL GOVERNMENTS. THE DESPOTS MUST CONSENT TO BE BOUND BY IT AS WELL AS THE FREE STATES. UNLESS THEY DO, THE PROFESSION COMES TO THIS MISERABLE ISSUE -- THAT THE WRONG SIDE MAY HELP THE WRONG, BUT THE RIGHT MUST NOT HELP THE RIGHT."

SINCE 1917 THE SOVIET UNION HAS GIVEN COVERT POLITICAL TRAINING AND ASSISTANCE TO MARXIST-LENINISTS IN MANY COUNTRIES. OF COURSE IT ALSO HAS PROMOTED THE USE OF VIOLENCE AND SUBVERSION BY THESE SAME FORCES.

OVER THE PAST SEVERAL DECADES, WEST EUROPEAN AND OTHER SOCIAL DEMOCRATS, CHRISTIAN DEMOCRATS AND LIBERALS HAVE OFFERED OPEN ASSISTANCE TO FRATERNAL POLITICAL AND SOCIAL INSTITUTIONS, TO BRING ABOUT PEACEFUL AND DEMOCRATIC PROGRESS. APPROPRIATELY FOR A VIGOROUS NEW DEMOCRACY, THE FEDERAL REPUBLIC OF GERMANY'S POLITICAL FOUNDATIONS HAVE BECOME A MAJOR FORCE IN THIS EFFORT.

THE U.S. INITIATIVE [I HAVE ANNOUNCED TODAY] REPRESENTS A BROAD COALITION OF AMERICANS -- NOT ONE ADMINISTRATION OR A SINGLE PARTY. [THE CHAIRMEN AND OTHER LEADERS OF THE NATIONAL REPUBLICAN AND DEMOCRATIC PARTY ORGANIZATIONS] ^{are initiating} ~~HAVE AGREED TO~~ ~~SUPPORT~~ A STUDY ^{THROUGH} THE BIPARTISAN AMERICAN POLITICAL FOUNDATION TO DETERMINE HOW THE UNITED STATES CAN BEST CONTRIBUTE --

from p12

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p12

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AS A NATION -- TO THE GLOBAL CAMPAIGN FOR DEMOCRACY NOW
GATHERING FORCE. THEY WILL HAVE THE COOPERATION OF CONGRESSIONAL
LEADERS OF BOTH PARTIES ALONG WITH REPRESENTATIVES OF ^{business, labor &} OTHER
MAJOR INSTITUTIONS IN OUR SOCIETY. ← from p15
← from p12

WE BELIEVE THAT AMERICAN PRIVATE GROUPS SHOULD PLAY A
DOMINANT ROLE IN THE EFFORT: FOUNDATIONS, POLITICAL PARTIES,
UNIONS, AND PRESS ASSOCIATIONS HAVE BEEN APPROPRIATE VEHICLES
IN THE PAST IN ASSISTING DEMOCRATIC FORCES IN OTHER SOCIETIES.
THEIR EFFORTS SHOULD BE EXPANDED SUBSTANTIALLY, IN WHICH PROCESS
THE GOVERNMENT SHOULD OFFER SIGNIFICANT SUPPORT. THE UNITED
STATES GIVES ECONOMIC AND SECURITY ASSISTANCE TO A NUMBER OF
COUNTRIES. IT IS TIME THAT WE COMMITTED OURSELVES AS A NATION
TO ASSISTING DEMOCRATIC DEVELOPMENT AS WELL.

ON BEHALF OF THE AMERICAN PEOPLE, I AM DOING SO TODAY.

WE PLAN TO CONSULT WITH LEADERS OF OTHER NATIONS AS WELL.
THERE IS A PROPOSAL BEFORE THE COUNCIL OF EUROPE TO INVITE
PARLIAMENTARIANS FROM DEMOCRATIC COUNTRIES TO A MEETING NEXT
YEAR IN STRASBOURG. THAT PRESTIGIOUS GATHERING COULD CONSIDER
WAYS TO HELP DEMOCRATIC POLITICAL MOVEMENTS.

THIS NOVEMBER IN WASHINGTON THERE WILL TAKE PLACE AN
INTERNATIONAL MEETING ON FREE ELECTIONS. ^{The necessary} WE WILL EXAMINE HOW ✓
TO HELP BRING MULTI-CANDIDATE, MULTI-PARTY ELECTIONS TO AN
INCREASING NUMBER OF COUNTRIES. NEXT SPRING THERE WILL BE A
CONFERENCE OF WORLD AUTHORITIES ON CONSTITUTIONALISM AND
SELF-GOVERNMENT. WITH THE CHIEF JUSTICE OF THE UNITED STATES
AS HOST, AUTHORITIES FROM A NUMBER OF DEVELOPING AND DEVELOPED
COUNTRIES -- JUDGES, PHILOSOPHERS AND POLITICIANS WITH PRACTICAL

EXPERIENCE -- HAVE AGREED TO EXPLORE HOW TO TURN PRINCIPLE INTO PRACTICE AND FURTHER THE RULE OF LAW, ^{with a unity}

AT THE SAME TIME WE INVITE THE SOVIET UNION TO CONSIDER WITH US HOW THE COMPETITION OF IDEAS AND VALUES -- WHICH IT IS COMMITTED TO SUPPORT -- CAN BE CONDUCTED ON A PEACEFUL AND RECIPROCAL BASIS. FOR EXAMPLE, I AM PREPARED TO OFFER PRESIDENT BREZHNEV AN OPPORTUNITY TO SPEAK TO THE AMERICAN PEOPLE ON OUR TELEVISION, IF HE WILL ALLOW ME THE SAME OPPORTUNITY WITH THE SOVIET PEOPLE. WE ALSO SUGGEST THAT PANELS OF OUR NEWSMEN PERIODICALLY APPEAR ON EACH OTHER'S TELEVISION TO DISCUSS MAJOR EVENTS.

I DO NOT WISH TO SOUND OVERLY OPTIMISTIC . . . YET THE SOVIET UNION IS NOT IMMUNE FROM THE REALITY OF WHAT IS GOING ON IN THE WORLD. IT HAS HAPPENED IN THE PAST: A SMALL RULING ELITE EITHER ATTEMPTS TO EASE DOMESTIC UNREST THROUGH FOREIGN ADVENTURE OR CHOOSES A WISER COURSE -- BY ALLOWING ITS PEOPLE A VOICE IN THEIR OWN DESTINY.

YET, EVEN IF THIS PROCESS IS NOT COMPLETED SOON, I BELIEVE THE RENEWED STRENGTH OF THE DEMOCRATIC MOVEMENT, COMPLEMENTED BY A GLOBAL CAMPAIGN FOR FREEDOM, WILL STRENGTHEN THE PROSPECTS FOR ARMS CONTROL.

I HAVE DISCUSSED ON OTHER OCCASIONS, INCLUDING MY ADDRESS ON MAY 9th, THE ELEMENTS OF WESTERN POLICIES TOWARD THE SOVIET UNION TO SAFEGUARD OUR INTERESTS AND PROTECT THE PEACE. WHAT I AM DESCRIBING NOW IS A POLICY AND A HOPE FOR THE LONG TERM -- THE MARCH OF FREEDOM AND DEMOCRACY WHICH WILL LEAVE MARXISM-LENINISM ON THE ASH-HEAP OF HISTORY AS IT HAS LEFT OTHER [TOTALITARIAN]

dictatorships

IDEOLOGIES] WHICH STIFLE THE FREEDOM AND MUZZLE THE SELF-EXPRESSION OF THE PEOPLE.

THAT IS WHY WE MUST CONTINUE OUR EFFORTS TO STRENGTHEN "NATO" EVEN AS WE MOVE FORWARD WITH OUR ZERO OPTION INITIATIVE IN THE NEGOTIATIONS ON INTERMEDIATE RANGE FORCES AND OUR PROPOSAL FOR A ONE-THIRD REDUCTION IN STRATEGIC BALLISTIC MISSILE WARHEADS.

OUR MILITARY STRENGTH IS A PREREQUISITE TO PEACE BUT LET IT BE CLEAR WE MAINTAIN THIS STRENGTH IN THE HOPE IT WILL NEVER BE USED. FOR THE ULTIMATE DETERMINANT IN THE STRUGGLE NOW GOING ON FOR THE WORLD WILL NOT BE BOMBS AND ROCKETS -- BUT A STRUGGLE OF WILLS AND IDEAS -- A TEST OF SPIRITUAL RESOLVE: THE VALUES WE HOLD, THE BELIEFS WE CHERISH, THE IDEALS TO WHICH WE ARE DEDICATED.

THE BRITISH PEOPLE KNOW THAT, GIVEN STRONG LEADERSHIP, TIME, AND A LITTLE BIT OF HOPE, THE FORCES OF GOOD ULTIMATELY RALLY AND TRIUMPH OVER EVIL. HERE AMONG YOU IS THE CRADLE OF SELF-GOVERNMENT, THE MOTHER OF PARLIAMENTS. HERE IS THE ENDURING GREATNESS OF THE BRITISH CONTRIBUTION TO MANKIND, THE GREAT CIVILIZED IDEAS: INDIVIDUAL LIBERTY, REPRESENTATIVE GOVERNMENT AND THE RULE OF LAW UNDER GOD.

I HAVE OFTEN WONDERED ABOUT THE SHYNESS OF SOME OF US IN THE WEST ABOUT STANDING FOR THESE IDEALS THAT HAVE DONE SO MUCH TO EASE THE PLIGHT OF MAN AND THE HARDSHIPS OF OUR IMPERFECT WORLD. THIS RELUCTANCE TO USE THOSE VAST RESOURCES AT OUR COMMAND REMINDS ME OF THE ELDERLY LADY WHOSE HOME WAS BOMBED IN THE BLITZ; AS THE RESCUERS MOVED ABOUT THEY FOUND A BOTTLE

OF BRANDY SHE HAD STORED BEHIND THE STAIRCASE, WHICH WAS ALL THAT WAS LEFT STANDING. SINCE SHE WAS BARELY CONSCIOUS, ONE OF THE WORKERS PULLED THE CORK TO GIVE HER A TASTE OF IT. SHE CAME AROUND IMMEDIATELY AND SAID: "HERE NOW, PUT IT BACK, THAT'S ONLY FOR EMERGENCIES."

WELL, THE EMERGENCY IS UPON US.

[LET US BE SHY NO LONGER -- LET US GO TO OUR STRENGTH. LET US OFFER HOPE. LET US TELL THE WORLD THAT A NEW AGE IS NOT ONLY POSSIBLE BUT PROBABLE. GREAT DRAMATIC CHANGES HAVE OCCURRED. WE LIVE LONGER TODAY IN BETTER HEALTH AND PROSPERITY THAN EVER DREAMED OF IN THE PAST. I HAVE ALREADY LIVED 20 YEARS BEYOND MY LIFE EXPECTANCY WHEN I WAS BORN. THAT'S A SOURCE OF ANNOYANCE TO SOME OF MY COUNTRYMEN.

TO THOSE WHO PREDICT DOOMSDAY OR THE TRIUMPH OF THE SUPERSTATE LET US CITE THE WORDS OF A GREAT AUTHOR AT A NOBEL PRIZE CEREMONY SOME YEARS AGO. WILLIAM FAULKNER SPOKE OF THE SELF-DOUBT THAT INFECTS OUR AGE.

BUT, HE CONCLUDED, "MAN WILL NOT MERELY ENDURE: HE WILL PREVAIL" BECAUSE HE WILL RETURN TO THE "OLD VERITIES AND TRUTHS OF THE HEART."

"HE IS IMMORTAL . . . BECAUSE HE HAS A SOUL, A SPIRIT CAPABLE OF COMPASSION AND SACRIFICE AND ENDURANCE."

DURING THE DARK DAYS OF THE SECOND WORLD WAR WHEN THIS ISLAND WAS INCANDESCENT WITH COURAGE, WINSTON CHURCHILL EXCLAIMED ABOUT BRITAIN'S ADVERSARIES: "WHAT KIND OF A PEOPLE DO THEY THINK WE ARE?"

BRITAIN'S ADVERSARIES FOUND OUT WHAT EXTRAORDINARY PEOPLE THE BRITISH ARE. BUT ALL THE DEMOCRACIES PAID A TERRIBLE PRICE FOR ALLOWING THE DICTATORS TO UNDERESTIMATE US. WE DARE NOT MAKE THAT MISTAKE AGAIN. SO LET US ASK OURSELVES: WHAT KIND OF PEOPLE DO WE THINK WE ARE? AND LET US ANSWER: FREE PEOPLE ^{not only} WORTHY OF FREEDOM, AND DETERMINED TO REMAIN SO, ^{but to help others gain fair freedom as well.}

SIR WINSTON LED HIS PEOPLE TO GREAT VICTORY IN WAR AND THEN LOST AN ELECTION JUST AS THE FRUITS OF VICTORY WERE ABOUT TO BE ENJOYED. BUT HE LEFT OFFICE HONORABLY, KNOWING THAT THE LIBERTY OF HIS PEOPLE WAS MORE IMPORTANT THAN THE FATE OF ANY SINGLE LEADER. HISTORY RECALLS HIS GREATNESS IN WAYS NO DICTATOR WILL EVER KNOW. AND HE LEFT US A MESSAGE OF HOPE FOR THE FUTURE, AS TIMELY NOW AS WHEN HE FIRST UTTERED IT, AS OPPOSITION LEADER IN THE COMMONS NEARLY 27 YEARS AGO: "WHEN WE LOOK BACK ON ALL THE PERILS THROUGH WHICH WE HAVE PASSED AND AT THE MIGHTY FOES WE HAVE LAID LOW AND ALL THE DARK AND DEADLY DESIGNS WE HAVE FRUSTRATED, WHY SHOULD WE FEAR FOR OUR FUTURE?" "WE HAVE," SAID SIR WINSTON, "COME SAFELY THROUGH THE WORST."

THE TASK I HAVE SET FORTH WILL LONG OUTLIVE OUR OWN GENERATION. BUT TOGETHER, WE, TOO, HAVE COME THROUGH THE WORST. LET US NOW BEGIN A MAJOR EFFORT TO SECURE THE BEST -- A CRUSADE FOR FREEDOM THAT WILL ENGAGE THE FAITH AND FORTITUDE OF THE NEXT GENERATION. FOR THE SAKE OF PEACE AND JUSTICE, LET US MOVE TOWARD A WORLD IN WHICH ALL PEOPLE ARE AT LAST FREE TO DETERMINE THEIR OWN DESTINY.

M. W. 8/6

PRIME MINISTER

Visit of President Reagan

The arrangements for your participation in this visit are as follows.

President's Address in the Royal Gallery: Tuesday 8 June

I think you ought to arrive at the Norman Porch Entrance by 1145. You should take up the position at the top of the stairs in the Norman Porch. It would be best to be quite close to the top step, since this will give the camera behind you a better view. You should stand slightly to the right-hand side as you look down the stairs. At 1155, President and Mrs. Reagan will arrive. They will be presented to you by the Lord Great Chamberlain at the top of the stairs. As you look down the stairs, the Lord Great Chamberlain will be on the left, the President in the middle and Mrs. Reagan on the right. When you have shaken hands, the Lord Great Chamberlain will conduct the President into the Robing Room. You will conduct Mrs. Reagan into the Royal Gallery. Just inside the door, in front of the dais, you will present Mrs. Reagan to John Biffen and Lady Young, in that order. You then conduct Mrs. Reagan to her seat, which will be in the front row on your side of the Gallery. You have the aisle seat, and Mrs. Reagan the one next to you.

You remain seated until the fanfare sounds at the entrance of the President. You take your seat again for the President's address. At the end of the address, there will be another fanfare, at which you stand. The Lord Great Chamberlain, preceded by Mr. Biffen and Lady Young, will then leave the Gallery down the aisle. They will be followed by the President who should be joined by Mrs. Reagan. Once the Presidential procession has left the Royal Gallery you make your escape through the Norman Porch, and return to No.10 in time to greet the President and Mrs. Reagan for lunch.

Lunch: Tuesday 8 June

Lunch: Tuesday 8 June

You and Mr. Thatcher should greet the President and Mrs. Reagan on arrival in the hall. You should then take them up to your study. The President will "freshen up" for a few minutes in your study and washroom, and Mrs. Reagan will use the washroom just off the ante-room to your study. You should have time to go up to the flat for a minute or two, if you wish.

After collecting the President and Mrs. Reagan in the ante-room to your study, you should go into the Blue Drawing Room. You will receive the guests there in front of the fireplace. They will come in through the door between the Blue Room and the White Room, to be presented to you and the President, and then to pass into the Pillared Room. There will be two television teams, and two still photographers, ranged along the wall opposite.

At 1315, or when all the guests have been received, whichever is the earlier, you should move on into the Pillared Room. We will then start to move the guests into the Large Dining Room. When they are all assembled there, you will take the President up to the top of the table, passing down the left-hand side of the room. At the end of the lunch, you will propose toasts to The Queen and to the President, and then make your speech. The President will reply, and will probably propose an informal toast to you and to Anglo-US relations. You will then escort the President and Mrs. Reagan to the front door where they will depart. After that, you leave for the House for Questions.

Talks: Wednesday 9 June

The President will arrive at 0900. The programme will start with a photo-call in the Pillared Room. You will then proceed to the Small Dining Room for breakfast and talks with President Reagan, Secretary Haig and Mr. Pym. The beginning of the breakfast will be filmed by two television teams and four photographers for a few moments.

At about 0945 breakfast will break up, and you will go to the Cabinet Room for the Plenary talks. Our team will be you, Mr. Pym,

/Mr. Nott

Mr. Nott, Sir Antony Acland, Sir Nicholas Henderson, and possibly one other. The US team will be the President, Secretary Haig, Mr. Clark, Mr. Meese, Ambassador Louis, and Mr. Deaver. They will have had breakfast in the Large Dining Room. At the end of the talks at about 1015, you will accompany the President to the front door and speak to the Press from the pavement immediately outside. You will speak first and the President replies. The Press will be accommodated on stands immediately opposite, and in the street on the right-hand side of the door. After speaking to the Press, you say good-bye to the President in Downing Street.

WR

7 June 1982

Grateful for comments by
telephone as soon as possible
please.



BUCKINGHAM PALACE

Mr Sir P. Moore
in P.M. is
under

Minister

in Secs. June. Controversy?

the

in

With the Compliments of
Sir Philip Moore

SPEECH BY THE QUEEN AT THE BANQUET FOR PRESIDENT REAGAN ON
TUESDAY 8TH JUNE AT WINDSOR CASTLE.

Mr. President,

I am so glad to welcome you and Mrs. Reagan to Britain. Prince Philip and I are especially delighted that you have come to be our guests at Windsor Castle, because this has been the home of the Kings and Queens of our country for over nine hundred years.

I greatly enjoyed our ride together in the morning and I was much impressed by the way in which you coped so professionally with a strange horse - and a saddle that must have seemed even stranger!

We hope these will be enjoyable days for you in Britain - as enjoyable as our stays have always been in the United States. We shall never forget the warmth and hospitality of your people in 1976 as we walked through the crowds in Philadelphia, Washington, New York and Boston to take part in the celebrations of the Bicentennial of American independence.

Two hundred years before that visit, one of my ancestors had played a seemingly disastrous role in your affairs. Yet had King George III been able to foresee the long-term consequences of his actions, he might not have felt so aggrieved about the loss of his colonies! Out of the War of Independence grew a great nation, the United States of America, and later there was forged a lasting friendship between the new nation and the country to whom she owed so much of her origins.

But that friendship must never be taken for granted and your visit gives me the opportunity to reaffirm and to restate it. Our close relationship is not just based on history, kinship and language, strong and binding though these are. It is based on the same values and the same beliefs, evolved over many years in these islands since Magna Carta and vividly stated by the

founding fathers of the United States. This has meant that over the whole range of human activity the people of the United States and the people of Britain are drawing on each other's experience and enriching each other's lives.

Of course we do not always think and act alike, but through the years our common heritage, based on the principles of Common Law, has prevailed over our diversity and our toleration has moderated our arguments and misunderstandings. Above all, our commitment to a common cause has led us to fight together in two world wars and to continue to stand together today in the defence of freedom.

These past weeks have been testing ones for this country, when once again we have had to stand up for the cause of freedom. We did not ask for war in the Falkland Islands. It was thrust on us by naked aggression and we are naturally proud of the way our fighting men have served their country. But throughout the crisis we have drawn comfort from the understanding of our position shown by the American people. We have admired the honesty, patience and skill with which you have performed your dual role as ally and mediator. In return, we can offer from our experience an understanding of how hard it is to bear the daunting responsibilities of world power. The fact that your people have shouldered that burden for so long now, never losing the respect and affection of your friends, is proof of a brave and generous spirit.

This generosity extends beyond the bounds of statesmanship and diplomacy. We greatly admire the drive and enterprise of your commercial life and we therefore welcome the confidence which your business community displays in us by your massive investment in this country's future. And we also like to think we might have made some contribution to the extraordinary success story of American business.

In darker days, Winston Churchill surveyed the way in which the affairs of the British Empire - as it then was - and the United States would become, in his words, 'somewhat mixed up'. He welcomed the prospect:

'I could not stop it if I wished', he said,
'No-one can stop it. Like the Mississippi, it just keeps rolling along. Let it roll.'

How right he was! There can be few nations whose destinies have been so inextricably interwoven as yours and mine.

Your presence at Versailles has highlighted the increasing importance both to Britain and to America of cooperation among the industrial democracies. Your visit tomorrow to Bonn underlines the importance to both our countries of the continued readiness of the people of the Western alliance to defend the ways of life which we all share and cherish. Your stay in my country reflects not only the great traditions that hold Britain and the United States together, but above all the personal affection that the British and American people have for one another. This is the bedrock on which our relationship stands.

Mr. President, I raise my glass to you ... and to Mrs. Reagan ... to Anglo-American friendship and to the prosperity and happiness of the people of the United States.



10 DOWNING STREET

From the Private Secretary

MR. FALL
FOREIGN AND COMMONWEALTH OFFICE

PRESIDENT REAGAN'S SPEECH IN THE ROYAL GALLERY

I asked Mr. Deaver of the White House today when we should be able to see an advance copy of President Reagan's speech. He said that the President was still working on the final version and would probably put the finishing touches to it during his flight to Rome tomorrow. He (Mr. Deaver) would try to get a text to us tomorrow afternoon via the US Embassy. We at No. 10 ^{shall} ~~would~~ need to see it straight away so that it may be taken into account in the drafting of the Prime Minister's speech at lunch the next day.

A J COLES

6 June 1982

PRIME MINISTER

PRESIDENT REAGAN'S VISIT: YOUR SPEECH

You agreed to speak for six minutes or so at your lunch and to release the speech to the press. President Reagan will say very little in reply because he will have just spoken in the Royal Gallery (I hope to get an advance copy of his speech on Monday afternoon).

I attach a draft for your speech. I also attach earlier drafts by the FCO and Sir Nicholas Henderson.

We ought to give the Americans an advance copy of your speech early on Tuesday morning at latest.

A.S.C.

6 June 1982

Will forward letter
ms

SECRET



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~938 7027~~ 218 2111/3

MO 5/21
14/2

4th June 1982

Dear John,

*A. J. C. Esq.
h.a.*

PRESIDENT REAGAN'S VISIT - US ASSISTANCE
IN THE FALKLANDS CONTEXT

In his telegram number 1977 of 1st June, Sir Nicholas Henderson has drawn attention to the important part played personally by both Secretary Weinberger and Secretary Haig in ensuring that our requests for military assistance in the Falklands context are met as fully and rapidly as possible. The Defence Secretary felt that it would be of value to you to have a note on the scale and value of this assistance before the Prime Minister's meetings with American leaders later this week.

The continued provision of this assistance is important for both military and political reasons. Militarily, the additional intelligence and communications facilities the US are making available to us, together with the equipment they are releasing, are without doubt important for our operational capability in the South Atlantic. The main features of the assistance which the US are providing to us are shown at Annex. It is particularly notable that a high proportion of this equipment is not normally procured by us from the US, which has inevitably led to some penalties for the United States' own forces.

The US have met in full virtually all our requests and have been very helpful in setting up arrangements for handling them quickly. These arrangements have worked well. To minimise our expenditure on consumables which may not ultimately be needed (munitions, spares etc) they have also agreed to hold stocks forward in US depots in Europe and on Ascension Island, with charges for the equipment being raised only as we draw items from store.

The US have made it clear that they do not wish to reveal publicly the extent of the help with which they are providing us. They are very worried about the effects on their relations with Latin America. We must accept this as a fact of life. But the clandestine nature of the assistance does pose difficult presentational problems for both the Americans and us, especially

A J Coles Esq

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in rebutting misleading accounts of the assistance which the US are providing.

Quite apart from the wider political aspects, we do need the practical help the Americans are giving us. For this reason we should express warm thanks to the President for the solid way in which he has stuck by his commitment to us, and to show that we are fully aware of the strong personal support which both Secretary Weinberger and Secretary Haig have given over our requests.

I am copying this letter to the Private Secretaries to the Foreign and Commonwealth Secretary and to Sir Robert Armstrong.

Your ever
David Omand
(D B OMAND)

ANNEXMAIN FEATURES OF US MATERIEL AND OTHER ASSISTANCE
IN THE FALKLANDS CONTEXT

1. US assistance falls into three main categories: materiel assistance, logistic support and intelligence. The main features of each are outlined below. Those at paras 2.b. and d. are particularly sensitive.

2. Materiel Assistance

The following items either have been supplied or are being obtained from the US:

a. Anti-missile defences

2 VULCAN PHALANX close in defence systems for ships;

13 Chaff Dispensers, with 3,000 rounds.

b. Anti-aircraft defences

100 SIDEWINDER air-to-air missiles (further 200 missiles held in Europe for use if absolutely necessary);

8 STINGER surface-to-air weapons with 60 missiles.

c. Communications

16 MOTOROLA tactical satellite communication sets;

12 NESTOR secure speech sets.

d. Mines

50 LIMPET mines (provided subject to not being used in Argentina itself).

- e. Ground weapons and ammunition
4 Mortars, with 1,000 High Explosive and 200 illuminating rounds;
4,000 grenades;
24 BROWNING machine-gun mountings.
- f. Anti-radar missiles
10 SHRIKE anti-radar missiles.
- g. Personnel Protection
64 sets of NORTON body armour for helicopter crews.
- h. Night vision
22 sets of Passive Night Goggles for pilots (ordered pre-Falklands, but delivery accelerated).
- i. Engineering spares and equipment
HARRIER spares;
15 CHINOOK helicopter engines (ordered pre-Falklands, but delivery accelerated).

3. Logistic Support

- a. Ascension Island
Use of US-administered airfield and access to US fuel facilities, which have been replenished to meet our requirements. In addition, US C141 aircraft have flown accommodation and water purification units to Ascension Island for our use.
- b. Airfield matting
150,000 square yards of AM2 Airfield Matting and ancillary equipment.

c. Sea transport capacity

Conversion of the repair ship,
SS STENA INSPECTOR, at a US
shipyard.

d. Air-to-air refuelling

Provision of 2 KC 130 tankers in
the UK to substitute for VICTOR
tankers being used from Ascension
Island.

4. Intelligence

Continuing close co-operation between our
respective intelligence agencies, including the
provision of a wide range of crucial additional
intelligence material, and the exchange of
intelligence assessments.

Tomorrow, Mr President, we shall both be travelling to Bonn to attend a Summit Meeting of the North Atlantic Alliance. Like your other partners in that Alliance, we recognise and value the unique and often difficult role that the United States plays as a mainstay of the defence of the West. We have good reason to do so since over 300 thousand United States Servicemen based alongside our own forces in Europe are visible evidence of your vital contribution to our joint security.

We in this country are determined to continue to play our part in maintaining the effectiveness of the Alliance. We in Britain recognise that in the last resort our security may depend on our willingness to defend ourselves and the things for which we stand. I pay tribute here to those who in the last few weeks have shown the truth of this, some of them at the cost of their lives. But at the same time, the maintenance of strong defences, essential though they are, is only one part of our overall security policy. In the next few weeks, both you and I will be addressing the United Nations Special Session on Disarmament which opened yesterday in New York. I know that we shall both record our firm commitment to the goal of achieving genuine, balanced and lasting reductions, not only in the nuclear forces that threaten us, but also in the massive arsenals of conventional weapons. You, Mr President, have a special role to play in this process. Your advocacy last November of the so-called "zero-option" in relation to intermediate range nuclear forces in Europe and your recent proposal that negotiations for a serious reduction in strategic arms should be started in the near future, are clear evidence, if any were needed, that the United States is determined to take the courageous steps necessary to halt and ultimately to

/reverse

reverse the arms race. We must now look to the Soviet Union in the hope that their leaders may respond positively to the urgent challenges now facing them.

Mr President, you are among friends, and friends can usually sense each other's feelings without any words being spoken. You will be conscious here of the great tide of admiration and affection which your country enjoys in mine. I count myself fortunate to have the honour of conveying this to you today.

I thank you, Mr. President, and Mr. Secretary Haig - a most welcome guest today - and through you the American people, for your generous response. We were not surprised by your response but believe me, Mr. President, we do not take it for granted. We are grateful to the depth of our national being.

Your great poet, Emerson, said on the subject of sacrifice:

" 'Tis perdition to be safe
When for the truth we ought to die."

That, in the last resort, is the spirit of America and the spirit of Britain. That is why we are free.

We both believe that freedom must be defended. Tomorrow we both travel to Bonn for the NATO Summit. Like your other partners in that Alliance, we recognise and value the unique and often difficult role that the United States plays as a mainstay of the defence of the West. 300,000 US servicemen based alongside our own forces in Europe are visible evidence of your vital contribution to our joint security.

Mr. President, you have worked to increase American military strength and to strengthen the resources of the Alliance. You have also re-animated talks on arms reduction. We both agree that the two objectives must be pursued together. You and I will shortly be addressing the UN Special Session on Disarmament which opened yesterday in New York. I have no doubt that we shall both record our firm commitment to the goal of achieving genuine, balanced and lasting reductions, not only in the nuclear forces that threaten us, but also in the massive arsenals of conventional weapons. You have led the way with brave and far-sighted initiatives. We now look to the Soviet Union to respond constructively.

/You also stand

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4/6/82

SPEECH BY PRIME MINISTER AT LUNCH FOR PRESIDENT REAGAN - 8 JUNE

We are here today to welcome and do honour to our great ally - the United States of America.

Mr. President, Mrs. Reagan - it is an enormous pleasure to have you both here with us. It is rare enough to have an American President as a guest at No. 10. But we are doubly honoured to have the First Lady with us as well. (Denis is as delighted as I am; he is even suggesting that in future he should be referred to in this house as the first gentleman.)

greet him and
my remarks have been
unable to find out when we last had the honour of

a chance to return the spray as best we can be hospitably welcomed on us when we were your first official guests for a decade in Washington after leaving
You have become accustomed recently to taking your meals in grander places - the Palace of Versailles, Windsor Castle. But as you can see, this is a very simple house. The front door - the only door in fact - leads into the street. In the early morning you can watch the milk bottles and newspapers being delivered through that same door. In this democracy, from log cabin to No. 10 is not very far.

whose white. It has witnessed the signing of the treaty since it first became the clock P.M. in 1732

Mr. President, may I say in a few simple words - straight from the heart - what the relationship between the United States and Britain means to all of us here.

on shared
of your
President
with 10/11

America is the bulwark of the free world. The unshakeable commitment of the American people to freedom, liberty, democracy and the rule of law is a perpetual inspiration to the people of Britain. Our commitment to those values is likewise absolute.

Our relationship has been tested again in recent weeks. Britain and America have rediscovered in difficult circumstances what we mean to each other. You understood why we had to resist aggression, even at great sacrifice. You were ready to give strong support, even at considerable cost to American interests.

/I thank you,

First page for the sheet - followed by
page 6 for white sheet.
and page 2 - - - etc.

VISIT OF PRESIDENT REAGAN: SPEECH BY THE PRIME MINISTER AT
THE LUNCH AT 10 DOWNING STREET ON 8 JUNE

1. Some of us were present a short time ago to hear your magnificent speech to members of both Houses of Parliament in the historic setting of the Royal Gallery. It was, if I may say so, an exceedingly hard act to follow. So I shall say only a few words.

2 I am delighted that the hectic schedule for your visit to Europe has permitted you to pay a visit to the United Kingdom as the guest of Her Majesty The Queen. It is indeed a great pleasure to welcome you and Mrs Reagan to this country. You come as the leader of a great country with which our ties are many and various, our relationship unique and our affinity long-standing. [The strength of this relationship has been illustrated by the support shown for Britain in the United States during the Falklands crisis.]

3. The Economic Summit at Versailles which we both attended over the past weekend and the NATO Summit which starts tomorrow in Bonn are providing a valuable and timely opportunity to review some of the most important problems facing the free world today.

4. While the United States still plays a determinant role in the life of the industrialised world, the European Community is now comparable to the United States in economic size and strength. It is essential that we should co-operate as fully as possible in our efforts to achieve a quick return to full prosperity. Our firm and continued adherence to the principles of free trade will be a key element in this process.

/Tomorrow,

CONFIDENTIAL
FM FCO 041330Z JUNE 82
TO IMMEDIATE VERSAILLES
TELEGRAM NUMBER 4 OF 4 JUNE

ATC

FOLLOWING FOR COLES AND FALL

1. NUMBER 10 HAVE ASKED THAT THE FOLLOWING DRAFT SPEECH FOR THE PRIME MINISTER'S USE AT LUNCH FOR PRESIDENT REAGAN ON 8 JUNE, SENT TO THEM BY SIR N HENDERSON, BE FORWARDED TO YOU:

MRS REAGAN, MR PRESIDENT (YOU NOTICE THE ORDER IN THIS HOUSE: MY ATTENTION TO EQUAL OPPORTUNITY, IF NOT TO STRICT PROTOCOL). IT IS A GREAT HONOUR AND PLEASURE TO HAVE YOU BOTH TO LUNCH AT NO. 10, THE TRADITIONAL ABODE OF THE PRIME MINISTER.

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in the Falkland Islands
and see what

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MAY I ALSO SIGNAL WHAT ABOVE ALL YOU STAND FOR IN INTERNATIONAL ECONOMIC LIFE, YOUR COMMITMENT TO AN OPEN WORLD TRADE SYSTEM, WHATEVER THE IMMEDIATE PRESSURES FOR RESTRICTION. THAT IS OUR ROLE TOO AND WE WILL STRUGGLE FOR IT ~~STALWARTLY~~ ^{alongside} BESIDE YOU. *A on other sheet*

LET ME CONCLUDE THESE FEW REMARKS, MR PRESIDENT - AND I REALISE IT IS DIFFICULT TO MATCH YOUR MOVING SPEECH MADE IN THE BRITISH PARLIAMENT TODAY - BY A FINAL WORD ABOUT OURSELVES, ABOUT THE INTERDEPENDENCE OF OUR TWO COUNTRIES. I MAKE NO APOLOGY IF THEY APPEAR PERSONAL ~~BUT~~ I HAVE FOUND IN MY THREE YEARS IN THIS OFFICE, AS I AM SURE MY PREDECESSORS HAVE DONE - THAT ~~IN THE MIDST OF THE STREAM THAT RUNS LIKE LIFE-BLOOD BETWEEN US~~ ^{justice} TRADITION, CULTURE, LAW AND LANGUAGE ~~THERE IS ONE~~ ^{carefully} CHARACTERISTIC THAT IS DOMINANT FOR THOSE CONCERNED WITH POLICY. I REFER TO OUR ABILITY TO DISCUSS PROBLEMS OF COMMON INTEREST, WHICH MEANS OF COURSE IN TODAY'S WORLD PRACTICALLY EVERY ISSUE IN PUBLIC LIFE - TO DISCUSS THEM FREELY ~~FRANKLY~~, NOT NECESSARILY ALWAYS AGREEING BUT GIVING AND TAKING ADVICE AS FAMILY FRIENDS, WITHOUT COMMITMENT AND WITHOUT EXCITING ANXIETY OR ENVY. YOU, MR PRESIDENT, AND YOU MR SECRETARY HAIG HAVE CERTAINLY ALWAYS SHOWN THIS SPIRIT, AND DARE I SAY THAT THIS IS SOMETHING UNIQUE BETWEEN US, AS IT IS, I FEEL SURE, OF INESTIMABLE VALUE TO THE CAUSE WE BOTH SERVE.

2

^{and with special feeling} IT IS IN THAT SPIRIT THAT I ASK YOU ALL LADIES AND GENTLEMEN TO RISE AND DRINK A TOAST TO THE PRESIDENT OF THE UNITED STATES AND MRS REAGAN.

~~PYM~~

(LWI)

NNNN

AAI DC

You also stand for an open world trading system, whatever the immediate pressures for restrictions. That is our goal too and we shall struggle for it stalwartly beside you, as we did at the Versailles Summit last week.

Mr. President, because of our common traditions, shared values and agreed aims, the Anglo-American relationship has a quality of ease about it. Our language is free and frank. We agree easily; we can disagree without rancour; and each welcomes advice from the other.

All that is true of Anglo/American communication in general. But can I end on a personal note.

Hold type and date

Since you took office, Mr. President, I have come to know you as a personal friend:

in times of change

- who can be relied on ~~when the chips are down;~~
- who is not going to compromise on the values of the free world;
- who seeks the reduction of world tensions and the strengthening of world security;
- who will do everything possible to ~~foster~~ *encourage* creative enterprise and initiative;
- who wants the individual to flourish in freedom ~~and~~ *in 'peace'* and in peace.

That is my creed too. It is not surprising that we ~~give~~ *make* the same speeches. So often when I hear or read what you say I find words which express my own thoughts exactly.

It is therefore with special feeling that I ask you all to rise and drink a toast to the President of the United States and Mrs. Reagan.

** 1 Last Journal page 2 = page 1, 2*

CONFIDENTIAL
FM FCO 041330Z JUNE 82
TO IMMEDIATE VERSAILLES
TELEGRAM NUMBER 4 OF 4 JUNE

CAW
W

FOLLOWING FOR COLES AND FALL

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PYM

NNNN

AAI DC



Confidential, to Head of
Mission.
Foreign and Commonwealth Office

London SW1A 2AH

4th June '82

Mr Coles esq

no 10

Dear Mr,

Here with a

note of a speech for
the pay at the lunch.

I realize
the way we want the
bracketed passage in the
first sentence. Yr

Nicho H

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

PRIVACY MARKING

SUBJECT:

.....In Confidence

SPEECH BY THE PRIME MINISTER AT LUNCH FOR PRESIDENT REAGAN, 10 DOWNING STREET, TUESDAY 8 JUNE

CAVEAT.....

Copies to:

Mrs Reagan, Mr President (you notice the order in this house; my attention to equal opportunity, if not to strict protocol). It is a great honour and pleasure to have you both to lunch at No. 10, the traditional abode of the Prime Minister.

I realise that you have become accustomed recently to taking your meals in grander places - Versailles Palace and Windsor Castle. But as you can see, this is a very simple house, with the front-door - the only door in fact - leading into the street. We have no long gravel drive. I notice that visitors from abroad find this very democratic. Particularly when they can see on the doorstep outside, as they can every morning, the row of milk bottles just delivered, the essential logistics for the tea-ritual by which the British machinery of Government has been lubricated down the ages.

I should like to extend a special welcome to you, Mrs Reagan. It is rare enough to have a USA President

/as

Enclosures—flag(s).....

as a guest at No. 10, but my researches have been unable to turn up when we last had the honour of a First Lady to an official lunch here. But I can assure you that Denis is as delighted as I am; and he is even suggesting that in future he should be referred to in this house as the First Gentleman.

But, seriously, we are delighted to have both of you here as our guests, to repay as best we can the hospitality you bestowed on us when we were your first official guests from abroad in Washington at the beginning of your Presidential term of office.

Much has been said and read over the years, Mr President, about the relations between our two countries. There is no need for me to add to the generalities on the subject today. Because we have had before our eyes in recent weeks the most concrete expression of what in practice we mean to each other. I refer to the impact of the Falklands crisis which has been like a shaft of lightning illuminating half-hidden recesses in our relationship; your awareness of our readiness to resist aggression even at great sacrifice; our awareness of your readiness to give support to us even at considerable cost to American interests.

It is this preparedness on both sides for sacrifices in the common interest that characterises our partnership; and I should like to pay tribute to you Mr President and to you Mr Secretary Haig, whom I also greet here heartily

/today-

today, and through you to the American people for your predictably generous response. Believe me, Mr President, we do not take it for granted. We are grateful to the depth of our national being.

I am reminded of the words of your great American poet Emerson on the subject of sacrifice, a mood that fits us both. I quote:

'Tis perdition, ~~perdition~~ to be safe
When for the truth we ought to die.'

Mr President, your mission to London and to other ^{Capitals} ~~states~~ of Europe is a remarkable one, and we are fully conscious both of its symbolism and substance.

From the day you took office you were determined to breathe life into the Alliance. You recognised how central your allies were to America's interests and vice versa - that no country however strong can remain an island in the modern world.

I want you to know how fully we reciprocate your conviction in the need for a dynamic two-way Alliance.

We here also realise, Mr President, what you have done both to increase immediate USA military strength and to reanimate talks on arms reductions - objectives that must go hand in hand.

You have seized the initiative in East-West relations and, seen by us in Western Europe, that is already

/a

a considerable achievement.

May I also signal what above all you stand for in international economic life, your commitment to an open world trade system, whatever the immediate pressures for restriction. That is our role too and we will struggle for it stalwartly beside you.

Let me conclude these few remarks, Mr President - and I realise it is difficult to match your moving speech made in the British Parliament today - by a final word about ourselves, about the inter-dependence of our two countries. I make no apology if they appear personal. But I have found in my three years in this office, as I am sure my predecessors have done - that ~~at the heart of all~~ in the midst of the stream that runs like life-blood between us - tradition, culture, law and language - there is one characteristic that is dominant for those concerned with policy. I refer to our ability to discuss problems of common ^{interest} ~~concern~~, which means of course in today's world practically every issue in public life - to discuss them freely, frankly, not necessarily always agreeing but giving and taking advice as family friends, without commitment and without exciting anxiety or envy. You, Mr President, and you Mr Secretary Haig have certainly always shown this spirit, and dare I say that this is something unique between us, as it is, I feel sure, of ~~an~~ inestimable value to the cause we both serve.

It is in that spirit that I ask you all ladies

/and

and gentlemen to rise and drink a toast to the
President of the United States and Mrs Reagan.



File AH
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10 DOWNING STREET

From the Principal Private Secretary

4 June 1982

RESTRICTED

Dear Colin,

PRESIDENT REAGAN'S VISIT : 7-9 JUNE

The Prime Minister has seen and noted the assessment of the threat to President Reagan personally and to public order during his visit to this country which you sent me with your letter of 3 June 1982.

I am sending a copy of this letter to Brian Fall (Foreign and Commonwealth Office).

Yours sincerely,

John Major

Colin Walters Esq.,
Home Office.

AH

FILE

cc Mrs Goodchild

R M

Mr Taylor

Mr Kydd

Mr Rylands



10 DOWNING STREET

From the Private Secretary

4 June, 1982

VISIT OF PRESIDENT REAGAN

Thank you for your letter of 3 June. I have now consulted the Prime Minister, and she has agreed that the arrangements for the talks over breakfast should be as follows.

The President accompanied by Mr Haig will meet the Prime Minister and Mr Pym alone over breakfast at 0900 hrs in the small dining room here. At 0945 hrs, the Plenary Meeting will be held in the Cabinet Room. The US team will be as described in your letter. The UK team will consist of the Prime Minister, Mr Pym, Mr Nott, Sir Antony Acland and Sir Nicholas Henderson. As you say, the talks will end between 1015 and 1020 hrs, and will be followed by remarks to the press by the Prime Minister and President ending at 1030 hrs.

The Prime Minister would like to offer breakfast in the large dining room to those attending the Plenary who will not be attending the President's breakfast. We will, therefore, arrange breakfast for Mr Meese, Mr Clark, Ambassador Louis, Mr Nott, Sir Antony Acland and Sir Nicholas Henderson.

I am sending a copy of this letter to Wendy Anderton (Ministry of Defence).

J.W.P.S. RICKETT

5

F Richards, Esq
Foreign and Commonwealth Office

USA

W



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

PRIME MINISTER

PRESIDENT REAGAN AND THE US BUDGET DEBATE

I am sorry to go on about this. I do so because I am convinced of its importance to our own national interest and political fortunes.

2. We both know how much the prospects for renewed growth, and our chance of turning the tide of unemployment, depend on the outlook for lower interest rates - achieved in a responsible fashion. They depend too on the prospects of renewed growth in the US.

3. But because of the World role of the dollar there is a limit to what we (or other like-minded countries like Germany) can do to get our own interest rates down. And only the US itself can affect its own rates. They have made striking progress in reducing their inflation rate. But markets are not yet convinced that this is permanent. There is no doubt that in this they are powerfully influenced by what they see as the prospect for the US budget deficit.

4. So far the markets remain unconvinced that the deficit is likely to follow the right downward path. And no wonder: in March 1981 the 1983 deficit was expected to be \$23 billion; in February of this year the uncorrected "baseline" prospect was \$146 billion; by April that had risen to \$182 billion - with the prospect of higher figures in later years. The "deal" agreed between the President and Republican Senators aimed to reduce the \$182 billion to \$116 billion, but has so far been rejected by the House of Representatives.

5. The very real risk is that no agreement will be reached before the Summer Recess, which would mean that interest rates would be likely to remain high until at least November. And no-one can be sure that the outcome of the mid-term elections will make it any easier to secure the necessary reductions after November.

6. I know from my talks with Don Regan and Paul Volcker that they are desperately aware of the need to make progress before then. They have both been most appreciative of the restrained but persistent way in which I have pressed the case. You may remember how Schmidt told us at Chequers that Regan was as good as urging him to press the case upon the President. But Schmidt feels, as I do, that you are better placed than anyone else to give the necessary encouragement to President Reagan: for he can be in no doubt about the identity of your views and his on the main economic issues. And you are able, of course, to draw upon our own experience. It was only because of our own willingness to "bite the bullet" in our 1981 Budget that we were able to turn the tide of expectations in this country.

7. I entirely agree with you, of course, that it is not for us to tell the President how to put his own act together. But I am sure that we should leave him in no doubt about the importance, for the political and economic prospects of all the industrial countries, of his displaying firm determination to secure a convincing prospect of declining US deficits.

8. It is above all because of the strong reasons of UK national interest which I have mentioned that I hope you will feel able to speak to the President about this. I



.... Attach a possible speaking note, which has been agreed with
Anna Walters. You will see that it in no way involves
you in urging tax increases or going into detail on how
the President achieves the right result on the deficit
problem. But it does stress the urgency of his doing so.

(G.H.)
3 June 1982

1. We continue to stand four square behind the efforts of the U.S. Administration to reduce inflation and believe the success of those efforts will be of the first importance for the United States, for the Alliance and for the whole of the free world.

We applaud the notable progress which is being achieved in reducing the U.S. inflation rate. We shall continue to express our support publicly for U.S. policy on this.

2. We support your methods as well as your objectives. We approve whole-heartedly your determination to maintain tight control of the growth of the money supply; to cut public expenditure; and to reduce progressively the federal budget deficit.

3. We wish you success in your efforts in Congress to secure agreement on federal budgets showing a declining rate of deficits over the next 3 fiscal years. We very much sympathise with your wish to achieve this to the largest extent possible through public expenditure reductions, and with the smallest possible public sector. But we cannot try to tell you what is or is not possible in these matters.

4. What we do feel is that it is urgent to settle the question of the deficits as soon as possible. We believe that a settlement on the kind of declining path you have been seeking would reassure markets and opinion generally, and would help reduce interest rates. We know that you, like we, want lower interest rates. At this stage in our counter-inflation policies we can be

powerfully helped by a belief that inflation is coming down for good, and greatly hindered by continued doubts about whether our achievements will endure. And we want people to believe that declining deficits will free resources within the monetary targets for an expansion of the private sector, which has always shown so much vigour in the United States.

5. We don't suggest that reducing the deficits will end all the problems. Nor do we suggest that it would remove all the interest rate problems of other countries, which may be attributable to their own national policies. We all have our own responsibilities. But we do believe it would help substantially to improve the chance of a lasting victory over inflation both in the United States and elsewhere.

2

Prime Minister
to be aware.

CONFIDENTIAL

GRS 189
CONFIDENTIAL
FM ECO 031725Z JUNE 82
TO IMMEDIATE WASHINGTON
TELEGRAM NUMBER 1114 OF 3 JUNE
TORLOT'S LETTER OF 23 NOV 1981 TO WALL AND MORLANDS REPLY
396/1 TO BERTHOUD OF 9 DEC 1981: VISIT TO WEST COAST OF USA
BY QUEEN AND DUKE OF EDINBURGH
1.

MT *hal*
Zu

**CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000**

- 2. PROPOSED OFFICIAL VISIT (WHICH SHOULD BE REGARDED AS CONFIDENTIAL) WOULD TAKE PLACE IN FEBRUARY/MARCH 1983 AND WOULD BE PART OF A TOUR OF THE AREA BASED ON BRITANNIA. FOR YOUR OWN INFORMATION ONLY THE TOUR WOULD ALSO PROBABLY TAKE IN JAMAICA, POSSIBLY GALAPAGOS ISLANDS AND MEXICO AND END IN CANADA. US CITIES TO BE VISITED WOULD PROBABLY BE SAN DIEGO, LOS ANGELES, SAN FRANCISCO AND SEATTLE.
- 3. THIS TELEGRAM IS BEING COPIED TO SIR N HENDERSON IN CASE HE OR YOU WISH TO CONSULT ON ABOVE.

PYM

PRESIDENT REAGAN'S VISIT

LIMITED

- PCD
- NAD
- DEF D
- NEWS D
- PS
- PS/MR HURD
- PS/MR ONSLOW
- PS/PUS
- MR BULLARD
- MR WRIGHT
- MR GIFFARD
- MR URE
- MR GILLMORE
- CABINET OFFICE

- COPIES TO:-
- SIR PHILIP MOORE BUCKINGHAM PALACE
- SIR J JOHNSTON, LORD CHAMBERLAIN'S OFFICE, ST JAMES'S PALACE
- PS/SIR R ARMSTRONG, CABINET OFFICE
- MR COLES PS/NO 10 DOWNING STREET

CONFIDENTIAL



CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

3 June 1982

Dear John,

Versailles Summit: Prime Minister's meeting with President Reagan on 4 June

The main purpose of the bilateral meeting with the President and Mr Haig will be to discuss the Falklands situation. I enclose a summary brief, which is mainly a check-list of points to raise, formulated in terms which take account of US concerns as expressed to us by the President and Messrs Haig and Clark in the past few days.

The brief covers our present policy and does not move into matters on which Ministers have not yet taken decisions. But the President - and indeed Chancellor Schmidt and President Mitterrand and the other participants at Versailles - will be interested in particular to hear about our policy after we have repossessed the Falklands.

On this, Mr Pym suggests that the Prime Minister could draw on the following:

- a) Ministers have been thinking carefully about policy after repossession, with the objective of devising arrangements which would help to ensure a stable future for the Islands and satisfactory relations with the continent of Latin America.
- b) Such arrangements must take full account of the wishes and interests of the Islanders. They must ensure the security of the Islands and provide good prospects for economic development. They should not ignore the wider questions (Western relations with Latin America as a whole, Soviet/Argentine relations) which are of concern to our allies.
- c) There can be no question, after Argentine aggression and refusal to negotiate seriously and after the British casualties, of concessions to Argentina's claim to sovereignty. At the same time, we are not wedded to a return to the precise status quo ante or to any particular long-term solution. Our commitment is to the Falkland Islanders.

/d)

CONFIDENTIAL



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- d) Time will be needed to get things back to normal on the Islands. The Islanders will need a period to consider their position. Our minds are therefore moving towards the idea of declaring a rehabilitation period [perhaps a couple of years?] in which the question of the long term future of the Islands would be set aside. It would follow that we would not make announcements about long term goals such as independence, since these could be dependent on consultation with the Islanders during and after the rehabilitation period.
- e) At the outset of such a rehabilitation period, ie soon after repossession, we would be willing to undertake a general commitment not to use force in relation to the Falkland Islands dispute except in self-defence and to lift economic measures, provided that Argentina ceased to carry out attacks on the Islands or on our forces and undertook the same two commitments.
- f) We have not decided exactly how or by whom the Governments of the Islands would be administered. We might make limited moves to increase the Islanders' participation in their own administration, for instance by adding more elected members to the Legislative and Executive Councils.
- g) We should be prepared to consider at the appropriate moment a conference about the economic development of the Islands (oil, fisheries, kelp, tourism) in which neighbouring countries as well as the UK and perhaps the US could participate.
- h) If Argentina were to accept a mutual obligation on the non-use of force, in a manner which inspired confidence in the longer term, the British military presence in the Islands could be significantly reduced during the rehabilitation period provided we considered that the security of the Islands was assured. Our commitment

/might

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might be supplemented by an international force with US and perhaps Brazilian or other participation.

- i) Depending on developments and the wishes of the Islanders, as revealed in the rehabilitation period, we would be willing to consider discussions about the longer term future of the Islands at the conclusion of that period.

I am sending copies of this letter to the Private Secretaries of the other members of OD(SA), and of the Attorney-General, and to Sir Robert Armstrong and to Sir Michael Palliser.

Yours ever

John Holmes
(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

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Versailles Economic Summit: Prime Minister's Meeting with President Reagan, 4 June

The Falkland Islands

Points to Make

1. Most grateful for extensive and speedy US help with military equipment and supplies.
2. Would have preferred negotiated outcome. But Argentina showed no interest. Now concentrating on repossession. But no desire to humiliate Argentina: she could still save lives by deciding to withdraw.
3. We carefully examined Haig's latest ideas for a diplomatic move. But frankly difficult for Parliament and public opinion in Britain to consider ideas of gestures before full repossession, given the history of Argentine aggression and intransigence and following the British casualties.
4. Fully conscious that significant factors will come into play after repossession: need to repair Western relations with Latin America, to head off risk of Soviet-Argentine relations becoming much closer, to try to deter Argentina from continued military strikes against the Islands. More broadly, need to give Falklands best chance of a secure and economically successful future, in peaceful relations with neighbours.
5. Argentina will have to realise that aggression has not paid and that she must stop insisting on transfer of sovereignty. Can US help to persuade her of this?
6. Important also to go on doing everything possible to block arms supplies to Argentina.
7. US views on internal prospects in Argentina?
8. US plans for rebuilding relations with Latin America including Argentina? Any ideas for new economic cooperation with Argentina?

From: THE PRIVATE SECRETARY

COVERING

SECRET



HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

3 June 1982

Prime Minister

~~Dear One~~

MT

AW
3m

PRESIDENT REAGAN'S VISIT: 7-9 JUNE 1982

I attach for the Prime Minister's information an assessment of the personal and public order aspects of this visit.

Copies of this letter and enclosure go to the Private Secretary to the Secretary of State for Foreign and Commonwealth Affairs.

Yours sincerely
C. J. Walters

C. J. WALTERS

C. A. Whitmore, Esq.

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PRESIDENT REAGAN'S VISIT TO THE UNITED KINGDOM 7-9 JUNE 1982

There is no intelligence at present to indicate that an attack is being planned against President Reagan during his visit to London and Windsor from the evening of 7 June until the morning of 9 June although there are those such as the Libyans and the pro-Khomeini Iranians who might be prepared to use violence to show their hostility towards the US administration.

2. The main threat at present is that posed to law and order and is focussed on three distinct meetings (the largest of which takes place on the day before President Reagan's arrival):

- a. CND Demonstration: Sunday 6 June
- b. Reagan Reception Committee: Monday 7 June
- c. Chile Solidarity Campaign Rally: Tuesday 8 June.

3. a. On Sunday 6 June the Campaign for Nuclear Disarmament marches and demonstration is expected to attract about 120,000 people including members of extreme left wing groups and some 50 anarchists. The possibility of violence breaking out cannot be discounted but the rally may provide a safety-valve for much opposition to the President's visit to be expressed before his arrival the following day.

b. The Socialist Workers' Party has co-ordinated left-wing opposition to the visit to be demonstrated by the Reagan Reception Committee on 7 June by a lobby outside the House of Commons at 1 pm and a picket of the US Embassy at 5.30 pm. Recent information indicates that the SWP have scaled down the meeting at the Embassy to some 200-300 people with a view to preventing serious disorder although some militants are likely to be present.

c. A rally organised by the Chile Solidarity Campaign and CND has been arranged at Central Hall Westminster on 9 June described as "an alternative forum to Reagan's speech in Parliament". The meeting is expected to attract about 1,000 people of whom some will picket outside the House of Commons and attend a meeting within the precincts of the House. No significant public order problem is anticipated.

4. While impossible to assess, the threat posed to President Reagan by publicity-seekers and the mentally unbalanced cannot be overlooked.

SECRET



Foreign and Commonwealth Office

London SW1A 2AH

3 June 1982

Dear Willie,

Visit by President Reagan

In your letter of 12 May you set out scenarios for lunch and talks with President Reagan.

The Americans are grateful to know of the arrangements proposed for lunch. On the arrangements for the talks they have proposed that the President accompanied by Mr Haig should meet the Prime Minister and Mr Pym alone over breakfast. They would be joined at about 9.45 in the White Drawing Room by Mr Meese, Mr Clark and the United States Ambassador. They expect talks to end about 10.15 with the remarks to the press by the Prime Minister and the President ending at 10.30. The question of attendance by British Ministers and officials will be settled in the light of the Prime Minister's briefing meeting on 3 June.

Yours over,

(F N Richards)
Private Secretary

Willie Rickett Esq
10 Downing Street



PM/82/42

PRIME MINISTER

President Reagan's Visit: Arab/Israel Questions

1. The steering brief for the President's visit, which we shall be discussing on the afternoon of 3 June, suggests that you might raise under "Other International Questions" the Palestine issue.

2. Your discussions with the President provide the best opportunity likely to occur in the near future to ensure that our views on the Palestinian question are registered at the highest level in the Administration. Mr Haig's speech on the Middle East in Chicago on 26 May showed that the US remain committed to making progress in the autonomy talks. The speech marked a small step forward in its emphasis that autonomy should be seen as a transitional process, and not an end in itself. But the Americans are still reluctant to commit themselves on what in their view is the ultimate goal of the autonomy process. Mr Haig spoke only of "negotiations . . . on the final status of the West Bank and Gaza and its relationship with its neighbours." In our view there is no chance of even moderate Arab governments, much less authentic representatives of the Palestinians, joining the autonomy talks unless the Americans are prepared to make clear that self-determination for the Palestinians will be available at the end of the transitional period. And so long as the only participants in the autonomy talks are Israel and Egypt, with the United States present to hold the ring, these talks cannot lead to the establishment of viable transitional arrangements for the occupied territories, nor can they provide any escape from the tensions in the area which have opened the door to the Russians. This is very much the view of the Egyptians themselves, who, however, are anxious not to let the autonomy talks come to a halt until there is something else to put in their place.

/3. I recognise



3. I recognise the difficulties of making a strong pitch on this, when discussion on the Falklands is already likely to be difficult (and parallels may be drawn), but in your discussion with the President you might stress the opportunities created for the Soviet Union in the region by the continuing failure to make progress on the Palestinian problem and the impression in many Arab minds that the US will support Israel right or wrong. That could lead on to a discussion of the need for greater clarity as regards the eventual aim of peace negotiations, in which you could make clear our view that this should be the reconciliation of Israeli security with Palestinian rights; to make progress towards this, even through transitional autonomy, a way will need to be found to involve the Palestinians in negotiations. The best way for this to be achieved would be for the Americans to indicate publicly that Palestinian rights include self-determination. You could point out that it is unreasonable and in the end self-defeating for Israel to deny to others rights that she claims for herself. You could suggest to the President that clarification of American views on these lines would make it much easier for Britain to play the effective part we would wish with the US in the search for a peace settlement.

(FRANCIS PYM)

Foreign and Commonwealth Office
2 June 1982

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PRESIDENT REAGAN'S VISIT TO LONDON

7-9 June 1982

TALKS WITH THE PRIME MINISTER, 9 AM WEDNESDAY, 9 JUNE

STEERING BRIEF

Brief by the Foreign and Commonwealth Office

INTRODUCTION

1. The Prime Minister gave an informal invitation to President Reagan to visit the United Kingdom during her visit to Washington in February 1981. HM The Queen subsequently invited the President and Mrs Reagan to pay a State visit this summer between the Economic Summit in Versailles and the NATO Summit in Bonn. The invitation was accepted, but in view of the sensitivities of other European countries the White House asked that the visit should not be described as a State visit.
2. In addition to attending the two Summit meetings and coming to Britain, President Reagan is paying a brief visit to Rome on 7 June, during which he will meet the Pope, and he is expected to visit Berlin briefly after the Bonn meeting.
3. The last visit by an American President was that of President Carter in 1977. The British objectives for the present visit and the probable American objectives are set out in Annex A. An outline programme of the visit is at
/Annex B.

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Annex B. As this is a quasi-State visit the accent is on public and ceremonial events, for which there is likely to be very extensive press coverage. The President's visit has been criticised by vocal minorities who are proposing to mount demonstrations against it, but no physical danger to the President is foreseen except as is always possible from cranks. He will be accompanied by a suite of whom the principal members are Mr Haig, Mr Clark, Mr Meese, Mr Deaver and Mr Baker. Notes on Personalities are attached at Annex C.

MEETING WITH THE PRIME MINISTER

4. The Prime Minister's meeting with the President on 9 June is the only working session of his visit (although Mr Haig will also have talks with the Foreign and Commonwealth Secretary on 8 June). Informal discussion with American officials has provided no guidance about subjects which the President will himself raise. He is expected to have at least background briefing on the Alliance, on East-West trade questions and on Ireland, all of which are dealt with below.

5. It is unlikely that there will be much time at Versailles or Bonn for any serious bilateral discussions with the President. Consequently this visit does give us a unique opportunity to engage the President's direct personal attention on two or three of the issues which most concern us. The primary purpose of the

/meeting



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meeting is not so much to press the British case on contentious issues, although the Falklands may be an exception to this (see paragraph 6 below), as to review a number of international issues of key concern to both countries. Nearer the visit, and in the light of subsequent developments and what happens at Versailles, we may need to take another look at the main themes on which the Prime Minister and the President should concentrate. This brief makes the best judgement we can a fortnight before the event.

THE FALKLANDS

6. Depending on developments, the Falklands may well dominate the discussion. A Brief on the current points of concern, which will also have to include aspects of policy towards Latin America, will be prepared much nearer the time. The United States is in the position of trying to reconcile solidarity with its closest ally in resistance to aggression with the preservation of its hemispheric relationship with Latin America. The Prime Minister may need to urge the President not to weaken in support of the British cause. The President is likely to stress the risk of Argentina developing a close relationship with the Soviet Union. He may press us on our future intentions.

SUBJECTS CONNECTED WITH THE SUMMIT MEETINGS

7. The main topics of joint concern to the United States
/and Britain

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and Britain will be discussed at the Versailles and Bonn Summits and are covered in the Briefs for those meetings. The following seem to be the most likely subjects to merit separate discussion with President Reagan.

(i) The NATO Summit and the Alliance

(a) The Prime Minister might focus on the state of the Western Alliance and the role of the Anglo-American relationship within it. She could explain the special role which we see for ourselves as a member of the European Community with especially close ties with the United States, and seek the President's views on what more could be done to promote the cohesion and strengthening of the Alliance which both countries want. She could remind the President that Britain is maintaining its increased spending on defence. The Prime Minister might also stress the continuing importance we attach to consultation, but could also point out that the interests of the Alliance members do not always coincide exactly.

(b) The Prime Minister can stress the importance we attach to the NATO Summit in Bonn, at which our principal objectives will be to secure a greater unity in the Alliance's handling of East-West relations through a process of thorough discussion and understanding of each other's points of view, and of Western security (both defence and arms control). The Prime Minister might welcome the US initiatives on START and INF. She might explore the thinking underlying the President's

/speech

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speech in Illinois on 9 May about East-West relations. And she could discuss the prospects for the United States bilateral relations with the Soviet Union.

(ii) Subjects arising from The Economic Summit

(a) At Versailles agreement is probable on two subjects with which President Reagan has been most concerned - effective cooperation on economic policies and a positive commitment to the world open trading system (Versailles Briefs 3 and 5). But the President will have come under pressure to reduce the Federal Budget deficit.

(b) The Americans pressed Summit partners to agree in advance of the meeting on methods of restraining Western official credits for the Soviet Union (Versailles Brief 8). It is not clear whether agreement will be reached on this before or at Versailles. Further briefing will follow if necessary.

(c) The President will also be hoping for some progress on the American initiative on youth exchanges (Versailles Brief 16).

OTHER INTERNATIONAL QUESTIONS OF COMMON CONCERN

8. (i) The Middle East

The Prime Minister could ask how the President sees prospects for the Egypt/Israel autonomy talks and for involving other Arabs, particularly the Palestinians themselves, in the peace process; and could seek the President's views on how to achieve

/Israeli

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Israeli restraint over settlements on the West Bank. She might discuss with the President the tension in Lebanon and the prospects for peace between Iran and Iraq; and whether the West can do anything to help ease these points of conflict.

(ii) Southern Africa

There could be discussion of recent developments, particularly on Namibia, and the Prime Minister might probe the President on the chances of Cuban withdrawal from Angola and on Soviet objectives in the area.

QUESTIONS CONCERNING THE UK

9. We have very few serious problems of a bilateral nature, as distinct from questions which are dealt with in the context of the Community or the Alliance. The Community has various trade problems with the United States, particularly over steel and agriculture. The Commission has recently held exploratory talks with the Americans about steel. The Prime Minister could express our continuing concern to solve such trade matters amicably.

10. A separate brief is attached on the requirement for British subjects visiting the US to obtain visas, a subject in which there is some parliamentary and public interest.

/11.

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11. Defence Equipment Co-operation: The Prime Minister may wish to welcome: US agreement to UK industrial participation in the Trident programme on a competitive basis; continuing Administration Support for the selection of the Hawk for the US Navy; and the prospect for the possible extension to other bases of arrangements for Rapiers to defend USAF bases in UK. These are good examples of how co-operation can work to mutual advantage.

IRELAND

12. The President's Irish ancestry has not inhibited him from condemning all acts of violence in Northern Ireland and taking a firm line against support for the IRA in the United States. In his recent speech on St Patrick's Day he said that the United States could not chart a course for the people of Northern Ireland and came down firmly against United States involvement, despite Mr Haughey's attempts to draw the United States in. The Prime Minister could emphasise that the Government's aim was to give the people of Northern Ireland more control over their own affairs through the creation of a local Assembly. But there was no question of handing powers over without safeguards. No powers would be devolved unless and until the machinery for their exercise had been agreed by both sides in the province - the minority's position was fully safeguarded.

13. The US administration welcomed the development, until /recently

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recently, of better Anglo-Irish relations. The Prime Minister could point out that, through no wish of HMG, relations between London and Dublin have certainly taken a turn for the worse as a result of some damaging Irish interventions in the EC and the UN over the Falklands of which the President will be aware, and which ran counter to the friendly co-operative relationship we had tried to develop.

14. Finally, the Prime Minister could express her appreciation of the President's own stand against violence, and stress the importance of curbing the illegal activities of NORAID, bringing fugitive terrorists to justice, and reducing support to the IRA from the US (Note:-it would not be appropriate to mention US refusal to license the export of Ruger pistols to the Royal Ulster Constabulary,

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BRITISH OBJECTIVES

1. (a) To reinforce the close ties between the United Kingdom and the United States, bearing in mind the conflicting pressures to which we have both been subject in recent weeks over the Falkland crisis.

(b) To demonstrate to President Reagan the fundamental importance we attach to our relations with the United States within the North Atlantic Alliance; and to maintaining a unified alliance approach to East-West relations.

(c) To counter any impression on the part of the President and American public opinion that Britain is dominated by anti-nuclear and anti-American elements.

PROBABLE UNITED STATES OBJECTIVES:

2. (a) To project the President as a Leader of the Western Alliance and to show to the people of the United States that he is at ease on the international scene and a welcome guest in Britain;

(b) to demonstrate to British public opinion that America has a responsible attitude to the danger of war, and is working to restrain the arms race;

/(c)

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(c) to convince British public opinion that the Americans continue to regard Britain as their closest ally and attach special importance to Anglo-American relations;

(d) to demonstrate the common political purpose which the American Administration believes it shares with HMG.

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OUTLINE PROGRAMME OF PRESIDENT REAGAN'S VISIT

Monday 7 June:

6.00 p.m. Arrival from Rome;
private dinner at Windsor Castle
with members of the Royal Family.

Tuesday 8 June:

9.30 a.m. Riding with the Queen
12.00 noon Address Members of both Houses of
Parliament in the Royal Gallery
1.00 p.m. Lunch at Number Ten given by
Prime Minister
8.30 p.m. Banquet at Windsor Castle

Wednesday 9 June:

9.00 a.m. Breakfast and talks with the
Prime Minister
10.25 a.m. Joint appearance before the Press
outside Number Ten
11.00 a.m. Departure for Bonn

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PRIME MINISTER'S TALKS WITH PRESIDENT REAGAN: 9 JUNE 1982

BILATERAL RELATIONS

US VISA POLICY

POINTS TO MAKE

1. Continuing irritation here over the fact that United Kingdom citizens still require visas to visit the United States whereas American citizens require no visa to visit the United Kingdom. Regular flow of questions in Parliament.

2. Understand Bills have been introduced in Senate and House of Representatives which include provision for abolition of tourist visas for certain countries including the United Kingdom. Is there anything that can be done to speed things up?

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PRIME MINISTER'S TALKS WITH PRESIDENT REAGAN; 9 JUNE 1982

BILATERAL RELATIONS

US VISA POLICY

ESSENTIAL FACTS

1. The question was raised during the Prime Minister's visit to Washington in February 1981. Progress has been very slow. Although State Department are strongly supportive, most of the opposition seems to come from the US immigration authorities.

2. Lord Bethell, in his capacity as a member of the European Parliament, has also been pursuing this matter keenly and has been in touch with the FCO and the American Embassy. He intends to raise it with members of Congress on a visit to Washington next month. Soundings in the Ten have suggested that there is not much enthusiasm for joint European action.

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PERSONALITY NOTES

1. The Hon. Ronald Reagan
2. Mrs Nancy Reagan
3. The Hon. Alexander Haig
4. Mrs Patricia Haig
5. The Hon. John J Louis, Jr
6. Mrs Josephine Louis
7. The Hon. Edwin Meese III
8. The Hon. James A Baker III
9. The Hon. Michael K Deaver
10. The Hon. William P Clark
11. The Hon. Richard G Darman
12. The Hon. David R Gergen
13. The Hon. Edward V Hickey, Jr
14. The Hon. Michael A McManus
15. The Hon. Richard R Burt

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RONALD REAGAN

President of the United States of America

Born 6 February 1911 in Illinois. His father was an Irish Catholic and his mother a Protestant of Scottish descent. In 1932 Reagan graduated in economics from the Eureka College (a small liberal arts college) and became a broadcaster for a small radio station in Iowa where he was well-known for his football and baseball commentaries. In 1937 he played the part of a radio announcer in his film debut, and went on to act in 50 films up to 1957. He served in the Army Air Corps during World War II, achieving the rank of Captain.

Reagan was two-term Governor of California between 1966-75, and elected Chairman of the Republican Governors' Conference in 1969. In 1976 he ran unsuccessfully for the Presidential nomination and subsequently founded the conservative political action group 'Citizens for the Republic' which kept his campaign organisation in being. Between 1976-78 he worked as a nationally syndicated radio commentator and newspaper columnist, and as a speaker to civil, business and political groups. He announced his candidature for the Republican Presidential nomination in November 1979, and was elected President of the US in 1980, the oldest man ever to be elected to the Presidency.

Although Reagan started his political life as a Democrat, he was a vigorous opponent of communism even in his Hollywood days. As Governor of California, Reagan was committed to cutting high taxes, wasteful government spending, escalating welfare costs and student unrest at the University of California.

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Both in 1976 and 1980 Reagan, when running for President, took as his central themes the reduction of inflation, the limitation of the role of Federal Government by transferring to individual states many of the functions and programmes carried by central Government, the need to take a firm line with the Soviet Union and the strengthening of US defences which, he considered, had been neglected under President Carter.

As President, Mr Reagan has pursued these goals, cutting \$35 billion for the fiscal 1982 budget; enacting the largest tax cut (\$750 billion over five years) in US history and proposing large increases in defence spending. However, a combination of high interest rates and recession, involving growing unemployment (hovering around 9%) and record budget deficits have eroded the President's popularity (now lower in the polls than President Carter at a similar period). He is now engaged in a difficult negotiation with Congress in the search for a budget compromise.

Reagan's first marriage to actress Jane Wyman ended in divorce when she claimed he was too involved in politics. He married his present wife (Nancy Davis) in 1952. He has two children from each marriage.

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NANCY REAGAN

Nancy Davis Reagan was born on 6 July, 1923, in New York City and was brought up in Chicago. She is the only daughter of Dr and Mrs Loyal Davis of Chicago and Phoenix. Her father is Professor Emeritus at Northwestern University after serving as Professor of Surgery there for more than 30 years. Dr Richard Davis, a Philadelphia neurosurgeon, is Mrs Reagan's only brother.

Mrs Reagan graduated from Girls' Latin School, Chicago, and from Smith College, Northampton, Massachusetts. She majored in drama at Smith.

Before her marriage to Ronald Reagan on 4 March, 1952, Nancy Davis worked as an actress in stage, film and television productions. Her stage performances ranged from road tours to Broadway. From 1949 to 1956, she made 11 films including 'The Next Voice you Hear', 'East Side, West Side' and 'Hellcats of the Navy', in which she played Ronald Reagan's fiancée. After that film, made soon after her marriage, she gave up her career.

Shortly after her husband became Governor of California in 1967, Mrs Reagan began visiting wounded Vietnam veterans and making regular visits to hospitals and homes for older citizens, and schools for physically and emotionally handicapped children.

During one of these hospital visits in 1967, she observed participants in the Foster Grandparent Program and became its champion. This unique scheme brings together senior citizens who need to be productive with handicapped children who need parental

/time,

time, love and attention. Mrs Reagan helped to extend the programme in California and worked to make it available to all communities across the country through affiliation with ACTION, the Federal agency which now administers the Program. As First Lady, Mrs Reagan has chosen the Foster Grandparent Program to be one of her two special projects and continues to work to expand the programme on the national level and to promote private funding in local communities.

Mrs Reagan's other special project is fighting drug and alcohol abuse among young people. She is working to highlight the strong possibility that without help 'we may lose an entire generation of our children'. She spent her first months in the White House learning about the problem by talking to experts in the field. Since then, to make her concern known, she has appeared on television talk shows, written guest articles, and visited prevention and rehabilitation centres around the country, talking to young drug users and parents. She is encouraging the formation of many more parents groups, dedicated to removing drugs from their communities.

Mrs Reagan has also been active in projects concerning POWs and servicemen missing in action in Vietnam. During the war, Mrs Reagan wrote a syndicated column and donated the salary she received to the National League of Families of American Prisoners and Missing in Action in Southeast Asia. Mrs Reagan now serves as an Honorary Sponsor of the Vietnam Veterans Memorial Fund.

/As First Lady

As First Lady, Mrs Reagan is serving as Honorary Chairman of the Wolf Trap Foundation Board of Trustees, the Joffrey Ballet Gala, the 1981 Cherry Blossom Festival, the Republican Women's Federal Forum, the Women's Committee of the President's Committee on Employment of the Handicapped, the JFK Center for the Performing Arts, the National Women's Republican Club, the National Trust for Historic Preservation, Carnegie Hall, and the Girls' Clubs of America, Inc. She is also Honorary President of the Soldiers, Marines, and Airmen's Club and the Girl Scouts of the USA.

In 1981, the American public voted Mrs Reagan number one in the Annual Gallup Poll of the Most Admired Women in the World. Also in 1981, she was named one of the ten most admired women in the world by readers of 'Good Housekeeping' magazine. In 1977, the same magazine named her one of the ten most admired women in the USA. She was named the 'Los Angeles Times' Woman of the Year in 1968. Mrs Reagan has also been selected by the National Art Association as California's Most Distinguished Woman and has been named to the Permanent Hall of Fame as one of the country's Ten Best Dressed Women.

ALEXANDER HAIG

Secretary of State

Born in December 1924 in Philadelphia, the son of a Scottish Protestant father (converted to Roman Catholicism) and an Irish Catholic mother. After graduating 214th in a class of 310 from West Point Military Academy in 1947, he served as military assistant and ADC to the Chief of Staff, Far East Command, during the occupation of Japan, then as ADC to the Commander X Corps during the early months of the Korean War. In 1964 he was the military assistant to the Secretary of the Army before becoming deputy special assistant to the Secretary (and Deputy Secretary) of Defense.

Haig served in Vietnam 1966-67, becoming Commander of the 1st Battalion 26th Infantry. He was awarded the Distinguished Service Cross for bravery in action. Between 1967-69 he worked as Regimental Commander and Deputy Commandant of the US Military Academy, then became Military Assistant to Dr Kissinger as National Security Adviser at the White House (1969-70). After promotion to the post of Deputy Assistant to the President for National Security Affairs, Haig was appointed Vice-Chief of Staff of the US Army in 1973. 1974-78 he was Commander-in-Chief European Command and Supreme Allied Commander of Europe. Shortly before his return to Washington he narrowly escaped assassination by terrorists. In 1979 he became President of the United Technologies Corporation, a major defence contractor, and in November 1980, US Secretary of State.

It was Haig's years at the White House, first as military assistant to Kissinger, and later as Chief of Staff to President Nixon, which made him a public and highly controversial figure. There were serious allegations made against him about his role in organising the telephone tapping of the White House between 1969-71, and that he was involved in the Watergate cover-up. These allegations have recently been revived in a new biography of Kissinger. Another controversy was raised by his advocacy of the 1970 invasion of Cambodia and the 1972 Christmas bombing of Hanoi.

/Haig

Haig has proved a controversial Secretary of State. Initially welcomed by the conservative right as a hardliner, they now criticise him for not being tough enough on issues ranging from strategic arms negotiations to US policy on Poland. Haig has often given his opponents ammunition - through his publicly fought battles with the White House and the Pentagon over foreign policy and his at times somewhat frenzied manner. He has fought hard to defend the NATO allies against American criticism that they were not doing enough to support US policy. He has a better appreciation of European foreign policy concerns than most of his government colleagues. He has a tendency to lecture his audience as if it were a public meeting, and his somewhat convoluted manner of expressing himself has given rise to the term 'Haig-speak'.

He smokes a packet and a half of cigarettes a day and enjoys (very) dry martini. He expects total loyalty from his subordinates but has a sense of humour (he is known to use barrack-room language). He has little trouble with hectic schedules (e.g. his shuttle diplomacy over the Falklands) and is usually unruffled and well-dressed. He no longer works a 17-hour day but usually starts work at 7.00 a.m. and often stays until 8.30 p.m.

He is an enthusiastic tennis player, despite open-heart surgery (a triple by-pass operation) in 1980.

A practising Catholic. Married with three children.

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PATRICIA (PAT) HAIG

The daughter of an Army officer, Mrs Haig was born in Washington and has lived in many States, as well as in Japan, Germany and Belgium. She and Secretary Haig met and were married in Tokyo in 1950. They have two sons, Alexander and Brian, a daughter, Barbara, and two grandsons.

Mrs Haig's activities have centred on the community organisations and projects of the many places in which the Haigs have lived. She studied the piano during her school years. Special interests and hobbies include music, porcelain repair, tennis and travel. She speaks conversational French.

Mrs Haig is 53.

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JOHN J LOUIS JR,
United States Ambassador to the Court of St James's
John Jeffry Louis Jr was born on 10 June 1925 in Evanston, Illinois,
the son of John Jeffry Louis and Henrietta (née Johnson). He
graduated from Deerfield Academy, Massachusetts in 1942 and attended
Northwestern University in 1943 and 1946. He served in the US Army
from 1943-45. He got his BA from Williams College in 1947 and
passed his MBA at Dartmouth College in 1949.

From 1952-58, Louis was an Account Executive with Needham, Louis
and Brorby Inc. in Chicago. In 1958 he became Director of
International Marketing for S C Johnson and Son Inc. (the floor
polish firm) in Racine, Wisconsin. He held this post until 1961,
when he became Chairman of the Board of the KTAR Broadcasting
Corporation in Phoenix. In 1968, he was appointed Chairman of the
Board of the Combined Communications Corporation in Chicago, a
post he nominally held until he was chosen to be Ambassador to
the Court of St James in 1981 (CCC was in fact taken over by the
Gannet Communications Empire in 1979). He is a Director of Butler
International, Johnson's Wax, the Atlanta La Salle Corporation and
the First National Bank of Winnetka, Illinois.

He is a trustee of Evanston Hospital (since 1959), Northwestern
University (since 1967), Deerfield Academy (since 1963) and of
Foxcroft School (since 1975).

In October 1953 Louis married Josephine Peters. They have two
daughters, Kimberly and Tracy, and one son, John III.

Louis is understood to be disappointed at not being given a cabinet

/job

job. It was apparently felt that his contribution to the Reagan campaign, though substantial, might have been better.

Louis' mother was a Johnson and his family on his mother's side are heirs to the Johnson Wax fortune. The family were the fifth largest contributors to President Nixon's re-election campaign in 1972.

Ambassador Louis' international business experience is limited to his job as Director of International Marketing with Johnson's Wax. He was however a frequent visitor to the United Kingdom before his appointment and in his arrival statement on 15 May 1981 said that he had 'come home to the source'.

He is a keen golfer, and has played in central Scotland on numerous occasions. He and his wife are also inveterate sportsmen. Between 1960 and 1972 they made several safaris to Africa, shooting big game under the guidance of an English professional hunter, but their attention has since turned to smaller game - grouse in Scotland, red-lake partridge in Spain and Hungarian partridge in Hungary. Both have been regular race-goers at Ascot. Ambassador Louis is also a patron of the arts.

Mr Louis is a tall, slim, silver-haired distinguished-looking man. He has a calm and dignified manner which gives the impression of confidence and of being in control of the situation at all times.

JOSEPHINE LOUIS

Mrs Louis was born Josephine Peters on 13 March 1930 in Fort Pierce, Florida. She attended the Southern Seminary in Buena Vista, Georgia from 1946-48 and studied for her BA at the School of Speech, Northwestern University from 1948-52. While at University she was House President of the KAO Sorority.

In the USA Mrs Louis had her own interior decorating business - Josephine P Louis Interiors in Chicago. She decorated several homes and a large country club in the Chicago area.

Mrs Louis has been a member of the Women's Board of the North Shore Country Day School, Winnetka, Illinois since 1964 and was President from 1972 to 1974. In this capacity she has conceived and organised several successful fund-raising activities for the school. She is also a member of the Women's Board of Northwestern University, and of the Women's Board of Evanston Hospital (since 1956). She is a member and director of the Needlework and Textile Guild and has received several awards for personal needlework creations. She also belongs to the Kenilworth Garden Club, the Contemporary Club of Chicago and the Fortnightly Club of Chicago. She attends Christ Church (Episcopal), Winnetka.

Her interests include golf (she has a current handicap of 9), Alaskan and African big-game hunting, skeet shooting, and game-bird shooting in the USA, Hungary, Spain and the UK. She also enjoys 'white-water river running'! She has travelled widely, visiting over fifty countries. Her more sedentary pursuits, besides needlework, are flower arranging, horticulture and cooking.

EDWIN MEESE III

Counsellor to the President

Born 1931 in Oakland, California. 1953 graduated from Yale University. He then entered the Berkeley Law School. 1958-66 worked as Deputy District Attorney in California. 1967 appointed by the new Governor of California (Ronald Reagan) as his legal affairs secretary. 1970-74 served as Chief of Staff during Mr Reagan's second term as Governor. 1975-76 Vice-President for Administration at Rohr Industries, a California aerospace firm. 1976-77 private law practice. 1977-78 founder and Director of the Centre for Criminal Justice and Policy Management at San Diego Law School. 1978-80 Professor of Criminal Justice at San Diego Law School. 1980 joined Mr Reagan's Presidential campaign as Political Adviser. Later became Chief of Staff of the Reagan campaign. November 1980 Director of President Reagan's transition team. 1981 appointed Counsellor, ie policy coordinator, to the President. Married with three children.

Ed Meese was, for the first year of the Reagan Presidency, the undisputed leader of the so-called troika (also including Baker and Deaver) who ran the White House. He is, however, not quite so close personally to the President as Deaver. Moreover, while he was to focus on policy and Baker on management, Baker has played an increasingly prominent part in determining policy. These factors, combined with the key role now played by Judge Clark as National Security Adviser, and disagreements among the group, have slightly reduced Meese's

/prominence

prominence in the White House team though he remains the senior member of the group and the principal White House public figure below Presidential level. He regularly appears on major TV interviews to explain government policy.

Mr Meese was admitted to hospital on 10 May for X-ray tests after complaining of lower back pain. He was said to be exhausted from overwork. Meese is large, friendly, but tough. During the scandals associated with the former National Security Adviser (Richard Allen) Meese took Allen's part but dropped him when it became clear that Allen was a serious liability to the Administration.

As a Deputy District Attorney in California in the early 1960s, Meese took a close interest in police work and developed a reputation as a strong law and order man. He played a key part in putting down anti-draft protests in the mid-1960s.

There have been rumours that Meese would like to leave the White House for a senior government appointment, eg as Attorney General of the United States.

JAMES A BAKER III

Chief of Staff and Assistant to the President

Born 1930. 1952 graduated from Princeton. Served two years in the Marine Corps. 1957 law degree with honours from the University of Texas Law School. Practised with a Houston law firm until 1975. Appointed Under Secretary at the Department of Commerce. 1976 joined President Ford's Presidential campaign, becoming its national chairman. 1978 launched an unsuccessful bid to become the Republican nominee for the Attorney General of Texas. 1979-80 Director of George Bush's Presidential campaign. Married with eight children.

James Baker is one of the four key men at the White House. Unlike the other three (Clark, Deaver and Meese) he is not a long-term friend and supporter of Mr Reagan. In 1976, he helped President Ford defeat Mr Reagan's challenge for the Republican nomination. In 1980 he led George Bush's campaign for the Republican nomination. However, when he realised that Bush had no chance of winning, he took it on himself, against Bush's wishes, to announce that Bush was withdrawing from the race, thereby making it possible to heal the battle scars between Bush and Reagan and for Reagan to choose Bush as his running mate.

Although a late-comer to the Reagan fold, Mr Baker has quickly established himself as the most intellectually capable member of the White House team and as the man who has helped moderate Mr Reagan's initial image as a hardline conservative. On the

/President's

CONFIDENTIAL

President's behalf, Baker has conducted the recent detailed and complex negotiations with Congress on the budget.

Although Baker is firmly established at the White House, he is regarded by conservative Republicans as being a Trojan horse for the moderate Bush. Those Republicans who dislike signs of compromise by the Administration lay the blame at Baker's door.

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MICHAEL K DEAVER

Deputy Chief of Staff and Assistant to the President

Age 43

Following his graduation from San Jose State University, where he earned a degree in political science, Deaver joined IBM as an Administrative Management Trainee in 1960. In 1962, he joined the Republican Central Committee of Santa Clara County, California, and for the next four years he held executive positions with the Committee as well as directing field operations.

1966 Joined the administration of Ronald Reagan, then newly elected Governor of California, as coordinator of all state administrative programmes.

1967-74 As Assistant to Governor Reagan and Director of Administration, Deaver was chief administration officer and manager of Reagan's staff, appointments schedule, travel and security. During this period Deaver became one of Reagan's closest aides and served as his Chief of Staff during Reagan's 1976 bid for the Republican Presidential nomination.

1978 Co-founded, with another friend of Reagan (Peter Hannaford) the public relations firm of Deaver and Hannaford, who handled all Reagan's publicity 1976-80.

/1980

1980 At the start of the Presidential campaign Deaver briefly left Reagan's staff at the instigation of Reagan's campaign manager, John Sears, whom Reagan subsequently sacked. Deaver then came back into the campaign as Reagan's Chief of Staff and organiser of Mrs Reagan's campaign schedule. After Reagan's election to the Presidency, Deaver was appointed Deputy Director of the President elect's transition office. He took up his present post at the start of the Reagan Presidency (January 1981).

Deaver is responsible for the Office of Presidential Scheduling and Appointments and the office of the First Lady. In practice, his writ is much wider. He is one of Reagan's three or four closest advisers and one of his and Mrs Reagan's most trusted colleagues.

When he went to the White House Deaver said that for the sake of his family and because of the relatively low pay of government service, he would only stay 18 months. In December 1981, he announced that he would leave the White House at the end of this year.

Deaver is married to the former Caroline Judy. They have two children, Amanda (10) and Blair (5).

WILLIAM CLARK

Assistant to the President for National Security Affairs
Born in October 1931, Clark attended Stanford and Santa Clara Universities, but did not pass the Bar Exam until later at the Loyola Night Law School. Following World War II, he served in the Counter Intelligence Corps in Western Europe. In 1959, he became senior partner with the law firm of Clark, Cole and Fairfield, in Oxnard, California.

From 1967-69, Clark was Chief of Staff to the then Governor Reagan in Sacramento and brought Meese and Deaver into the Reagan team. He was responsible for the reorganisation of the executive branch of State government. At that time he was also Chairman of the Chile-California Programme, a three-way contract among AID, Chile and California. Between 1969-71, he served as a judge on the Superior Court of California, and from 1971-73 as an Associate Justice for the California Court of Appeals. In 1973 Reagan appointed him Associate Justice on the California State Supreme Court where he became known as a strict law and order conservative.

A close ally of Reagan, his appointment as Deputy-Secretary of State in January 1981 was confirmed by Congress despite his admission that he knew very little about foreign policy. At the State Department, Clark established a reputation as a good deputy to Haig and someone whose close friendship with Reagan and the senior White House aides enabled him to ease relations between Haig and the White House. In January 1982, on the enforced resignation of Richard Allen, Reagan appointed Clark as his National Security Adviser. He has established himself as one of the most influential

/White House

White House aides. While slow and deliberate in manner, he has moved to reorganise the National Security Council to provide a better service to the President and to play a stronger role in coordinating the Administration's foreign policy.

Married to the former Joan Brauner, of Czech origin. They have five children; the eldest currently manages Clark's grain and cattle ranch in California.

He reflects and embodies the gut feelings of the Reagan administration on foreign policy issues, particularly in respect of Central America and Southern Africa. He played an important part in the preparation of the Caribbean Basin Initiative and helped to break a log-jam in the Namibia negotiations through discussions with the South African Prime Minister (Piet Botha) - 'the man whose name I didn't know at my confirmation hearing'.

RICHARD G DARMAN

Assistant to the President and Deputy to the Chief of Staff

Born 1944. 1964 graduated with honours from Harvard and in 1967 from Harvard Business School. Former Fellow of the Woodrow Wilson International Centre. Author of several publications on public policy and management. 1977-80 a principal in ICF Inc, a Washington based consulting firm. He served at the same time as a member of the faculty of Harvard Graduate School of Government, from which he is currently on leave of absence. He has also served in the Federal Government in five Cabinet Departments including as Assistant Secretary of Commerce in the Ford Administration.

November 1980. Appointed Executive Director on the White House transition team. January to September 1981 Deputy Assistant to the President and Deputy to the Chief of Staff (James Baker). September 1981 promoted to be Assistant to the President.

Darman is responsible for coordinating White House staff activities as well as the legislative strategy group within the White House. He continues to serve as deputy to James Baker and, in that role, plays an important part in organising the flow of submissions to the President. Married with two young children.

DAVID R GERGEN

Assistant to the President for Communications

Born May 1942 in North Carolina.

Educated at Yale and Harvard. Member of the Washington DC Bar Association.

1971-74. Served in the Nixon White House, latterly as Special Assistant to the President and Chief of the White House writing and research team.

1974-75 US Treasury.

1975-77 Special Counsel to President Ford and Director of the White House Office of Communications.

1977-81 Resident fellow at the American Enterprise Institute and Managing Editor of 'Public Opinion' magazine.

January-June 1981 Assistant to President Reagan and Staff Director at the White House.

Married with two children.

When the White House Press Secretary, Jim Brady, was severely wounded during the assassination attempt on President Reagan in March 1981, the Deputy Press Secretary took over most of his duties. Mr Gergen was subsequently brought in as a more senior figure who would oversee communications at the White House. Until recently, Mr Gergen

/used to

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used to share with the Deputy Press Secretary (Larry Speakes) daily White House press conferences. Recently, he has taken a less prominent role as a briefer but remains responsible for Press work at the White House and for projecting the President in PR terms.

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EDWARD V HICKEY JR

Assistant to the President and Director of Special Support Services

Born in Massachusetts in 1935. 1960 graduated from Boston College. 1954-56 served in the US Army. 1964-69 Special Agent of the US Secret Service. 1969-75 Executive Director of the California State Police. 1975-78 Assistant Director of the Office of Security at the State Department. 1978-80 Senior Regional Security Officer for the US Embassies in the United Kingdom, Ireland and Iceland (based in London). 1980-81 Acting Counsellor for Administration at the US Embassy in London. 1981 appointed to the White House as Deputy Assistant to the President.

Married with seven children.

MICHAEL A McMANUS JR

Deputy Assistant to the President and Deputy to the Deputy Chief of Staff (Mr Deaver)

Born in Scarsdale, New York, in 1943. Graduate of the University of Notre Dame and Georgetown Law Centre. Also attended the Pace University Graduate School of Business.

Before joining the White House in April 1982, Mr McManus was Corporate Counsel to Pfizer Inc, a multi-national health care company and general counsel of its chemicals division. He had previously served in the Department of Commerce during the Ford Administration.

In announcing Mr McManus' appointment, the White House said he would work closely with Mr Deaver on a wide variety of administrative and logistical issues. He has been given special responsibility for the planning and coordination of the President's visit to Europe.

RICHARD R BURT

Assistant Secretary for European Affairs, State Department

Born in 1947. Former academic and national security affairs correspondent for the 'New York Times'. 1981 appointed Director of Politico/Military Affairs, State Department. May 1982 Assistant Secretary for European Affairs, State Department.

Burt is an academic and journalist who was brought into government by the Reagan Administration. He had previously lived for two years in London where he was Assistant Director at the International Institute for Strategic Studies. Subsequently, as national security affairs correspondent for the 'New York Times' for four years, his duties included covering the Pentagon, the State Department, the National Security Council, the Central Intelligence Agency and Capitol Hill.

Burt's appointment as Assistant Secretary for European Affairs had been widely expected since Eagleburger's promotion from that job in January of this year. Burt was Haig's choice for the State Department's key European policy-making job but the appointment was delayed by in-fighting over other, related appointments.

He is separated from his wife.

1. MR. COLES
2. PRIME MINISTER

Visit of President Reagan

The Americans have now come back to us with proposals on how the talks over breakfast on Wednesday, 9 June, should be arranged.

They suggest that the talks over breakfast in the Small Dining Room should be confined on their side to President Reagan and Secretary Haig. These talks would last from 0900 to 0945. Content:

- a) to be accompanied by Mr. Pym;
- b) to have a Private Secretary present?

After three-quarters of an hour, the Americans suggest that the breakfast should break up, and that a plenary meeting should be held in your study, the Cabinet Room, or in the White Drawing Room. They would like their team to consist of the President, Secretary Haig, Judge Clark, Edwin Meese, and Ambassador Louis. If we were to match their team, our side should consist of you, Mr. Pym, Sir Nicholas Henderson, Sir Antony Acland and Sir Robert Armstrong. With a Private Secretary, this would mean that the meeting would consist of eleven people.

- a) Content with the suggestions for our team?
- b) Given the numbers, would you prefer to have the meeting in the White Drawing Room, or the Cabinet Room, rather than your study, and if so, which?

We have learned that President and Mrs. Reagan have decided to give you and Mr. Thatcher a gift, although they

/are

are not, strictly speaking, your guests. I understand that they are going to give you a demi-tasse set, probably in china, and that they will give Mr. Thatcher a book of Audubon prints of birds. Lady Henderson has suggested that you and Mr. Thatcher should give the President a striking carriage clock made by a man called Frodsham, and that you should give Mrs. Reagan an enamelled "Battersea Box". I am trying to obtain a catalogue, with pictures of Frodsham's carriage clocks, and a catalogue showing the sort of enamelled box that Lady Henderson has in mind is attached.

Content in principle with Lady Henderson's suggestions?

W. F. S. RICKETT

2 June, 1982



Foreign and Commonwealth Office
London SW1A 2AH

Telephone 01-

UNCLASSIFIED

W Rickett Esq
Prime Minister's Office

Your reference

Our reference

Date

2 June 1982

Dear Willie *pm. wh 3/6*

VISIT OF PRESIDENT REAGAN: GIFTS FROM THE PRIME MINISTER

1. We spoke about Frodsham clocks and Battersea Boxes.
2. As I will not have a Frodsham leaflet until tomorrow, I am enclosing that for Matthew Norman and which may be taken as a fair guide to the 2 styles presently available from Frodsham. These are Corniche, the most popular and English of the two, and Corinthian. Frodsham can supply either from their stock at Buckingham Palace. For a 7 inch striking clock the trade price inclusive of VAT would be:

Corniche - £205
Corinthian - £325

Both clocks are of polished brass and stainless steel, weigh approximately 7lb and strike ~~lowly~~ on a bell (the traditional English chime). They are boxed and fully guaranteed.

3. We are seeking further advice from Lady Henderson as to the best choice of Battersea Box.

Yours ever
M G Snell
M G Snell
Conference and Visits Section
Protocol and Conference Department

P.S. one of Frodsham's representatives from the Palace is calling on me around 1pm on 3 June with samples. Should I wish to see these I can bring him over to your office.

Model
009



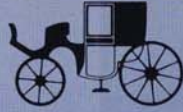


Fine Carriage Clocks

MATTHEW NORMAN
SWITZERLAND



Corinthien



Fine Carriage Clocks

MATTHEW NORMAN
SWITZERLAND



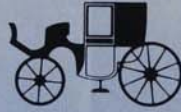
Humpback



MATTHEW NORMAN
SWITZERLAND



Quartz Clocks



Fine Carriage Clocks

MATTHEW NORMAN

SWITZERLAND



Corniche

CONFIDENTIAL

1 June 1982
ALAN WALTERS

BACKGROUND NOTE

DEFICIT AND INTEREST RATES

1. The argument of many commentators is that the high US deficits causes high US interest rates which in turn cause interest rates to be high in the rest of the world. In other words, our interest rates are determined by the US deficit.
2. The argument that US deficits cause high US interest rates is probably correct, but has been disputed because it is argued that the real deficits as a fraction of GNP are much lower than they appear and are not historically high. (Friedman, Kagan and Sprenkel.) They argue that high interest rates are largely due to erratic monetary policy and high inflationary expectations.
3. The belief that reducing the deficit through increases in taxation would bring down American interest rates is disputed since many would argue that the increased taxes would be paid primarily from people's savings. The supply of credit would be reduced parallel with the demand for it. There is some truth in this proposition.
4. A powerful group of advisers to the President argue that interest rates are high because there is a widespread belief that the Federal Reserve Board will be "forced" to adopt a more expansionary monetary policy as the slump deepens. Although the rate of inflation has declined dramatically in the United States, as a consequence of the Federal Reserve Board's squeeze, the experience of the seventies is being projected into the future. "When the going gets rough governments give up". The President's advisers argue that interest rates have come down and will decline further as markets become convinced that this administration will not give up.
5. It is much more difficult, however, to argue that high US interest rates require high interest rates in the rest of the world. The Americans will point to Japanese interest rates of about 6 per cent and German interest rates currently at about 8 or 9 per cent - both of these imply real interest rates of the order of 3 per cent, not at all high by long historical standards. The Americans may powerfully argue that Britain has successfully reduced and indeed can continue to reduce interest rates provided it does not at the same time wish to defend a high exchange rate against the dollar (cf Japan and Germany). Freedom of exchange rates implies substantial freedom

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- 2 -

from the hegemony of American interest rates. Americans may also argue that, quite properly, we should fix our interest rates according to our domestic monetary policy, and not worry about the exchange rate.

The Political Factors

6. The President is known to his enemies as a very stubborn man and to his admirers as a man of principle. I doubt very much whether preaching to him that he ought to increase taxes, even if he thought the case was being put in good faith, would have any effect on his policy. It would be seen, however, as providing ammunition for the enemies of his policy, particularly in the House. It may do harm to the Alliance and it is very doubtful whether it would do any good. The President has been told by many eminent authorities that he cannot reduce federal spending any more. But this has been the message on each occasion when he has substantially reduced it. In that respect he has a better record than the UK Government.
7. It would be very damaging if, as was suggested at last Thursday's meeting, you tell the President that he should follow the example of Britain: when we found that we could not reduce public spending, we increased taxes in 1981. In the President's circles this is regarded at best as some sort of regrettable necessity in political terms. Britain accommodated the enlarged public sector instead of persisting in reducing it. He believes he must reduce it.
8. The President might properly reject advice on how to reduce his deficit as being uninformed and unwarranted interference. It will be recalled that in 1976 the IMF asked the Government to reduce the Budget deficit; it did not specify whether that was to be done by cutting spending or increasing taxes. And at that time the IMF were lending us money! In any case, we should not prejudge the sort of compromises which the President might reach in his battles with Congress.

1 June 1982



ALAN WALTERS

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PA. Mus 10/6

BRIEFING NOTE FOR THE PRIME MINISTER ON THE UNITED STATES DEFICIT
INTEREST RATES AND TAXES

1. Wholehearted approval of the UK Government for the President's policy to:
 - (a) maintain tight control of the rate of growth of the money supply; and
 - (b) progressively reduce the federal budget deficit.

Reducing the rate of growth of the money supply will reduce inflation to the great benefit of the United States and the rest of the free world. Reducing the federal deficit, if it is achieved by reducing the rate of growth of federal spending, will provide capital and manpower for an expansion of the vigorous private sector in the United States - again to the great benefit of the rest of the world.

2. Only the President and his advisers can determine which is the best way in which to reduce the federal government deficit. The precise mixture of policy must be determined by the President's view of the economic, political, legal and constitutional needs of the United States. However, we do believe that the President is entirely correct in insisting that the best method of reducing the deficit is to reduce rate of growth of federal spending.

1 June 1982



ALAN WALTERS

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Foreign and Commonwealth Office

London SW1A 2AH

28 May 1982

Dear John,

Visit of President Reagan: Speech by the Prime Minister

Thank you for your letter of 21 May. I enclose a draft speech for use by the Prime Minister at the end of her lunch for President Reagan on Tuesday 8 June. As agreed, it contains a number of points of substance and is cast in a form that would be suitable for release to the press. It should last for about five minutes or so. The passages referring to the Falklands will obviously require review much nearer the time. Indeed the whole speech may have to be recast in the light of developments in the crisis.

We have discussed with the Americans the release of the text of the Prime Minister's speech to the press in order to ensure that this will not cause them any difficulty. Officials from the White House and members of the US Embassy have assured us that their only concern is that the President, having just delivered a major speech to members of both Houses of Parliament, should not be expected to make a similar speech at the Prime Minister's lunch. They are aware that the Prime Minister intends to make a speech containing some points of substance and that the text of it is likely to be released. We do not know for sure what form President Reagan's remarks will take, but expect them to be essentially informal.

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

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Foreign and Commonwealth Office

London SW1A 2AH

27 May 1982

Dear John,

President Reagan's Visit: Meeting with Prime Minister on 9 June

I enclose three copies of the Steering Brief for the Prime Minister's meeting with President Reagan.

As you will know it was agreed with the Cabinet Office that in the light of the extensive briefing agreed inter-departmentally for the Economic Summit at Versailles and the NATO meeting at Bonn, separate preparation for the Prime Minister's meeting with President Reagan should at this stage be confined to a single Steering Brief which would draw attention to selected points from the Summit briefing and include one or two items of bilateral business.

I am sending copies of this letter, together with a copy of the Brief (excluding Annex C containing Personality Notes) to the Private Secretaries to the Chancellor of the Exchequer, the Secretaries of State for Trade, Industry, Environment and Northern Ireland and the Minister for Defence, and Sir Robert Armstrong.

Yours ever,

F N Richards
(F N Richards)
Private Secretary

A J Coles Esq
10 Downing Street

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GENTLEMAN USHER OF THE BLACK ROD
HOUSE OF LORDS LONDON SW1A 0PW

pm
wh
7/6

PRESIDENT REAGAN

ADDRESS IN ROYAL GALLERY

TUES 8 JUN 82

With the compliments of Black Rod, copies of the Programme are attached as follows:-

<u>MR. GORDON</u> , FCO by hand	10 for FCO 12 for US Embassy
<u>LT. COL. SIR JOHN JOHNSTON</u> , Lord Chamberlain's Office	12
<u>MR. COLLON</u> Lord Chancellor's Office	2
<u>MR. BEAUMONT</u> Speaker's Secretary	3
<u>MR. PATTISON</u> No. 10 Downing Street	3
<u>MR. POWNALL</u> Leader's and Govt. Chief Whip's office House of Lords	6
<u>MR. HEYHOE</u> Leader's Office, House of Commons	2
<u>MR. MACLEAN</u> Govt. Chief Whip's office, House of Commons	4
<u>LT. COL. SIR PETER THORNE</u> Serjeant at Arms, House of Commons	4

/.....



GENTLEMAN USHER OF THE BLACK ROD
HOUSE OF LORDS LONDON SW1A 0PW

NB

These are for any advance use or information.
Copies for all attending will be available in the Royal
Gallery on the day.

26th May, 1982

NOTE FOR THE FILE

cc: Mr. Coles
Mr. Kydd
Mr. L. Wright (CO)
Mr. Rylands
Miss Stephens
Mr. Taylor
Mrs. Goodchild
Detectives

USA

VISIT OF PRESIDENT REAGAN

I had a further meeting today with Mr. Dan Morris, and other Presidential aides. The purpose of this was largely to go over the arrangements set out in my letter to Francis Richards of 12 May. There were however some amendments and additions to those arrangements.

Lunch: Tuesday 8 June

Mr. Morris confirmed that the President would probably wish to use the Prime Minister's Study to freshen up on arrival, but it was agreed that Mrs. Reagan would use the ladies washroom just off the ante-room. I explained that the Prime Minister would probably go up to the Flat while the President was using her Study, partly to prepare herself for the lunch, and partly to collect Mr. Thatcher. She would rejoin the President and Mrs. Reagan in the ante-room.

I agreed with Mr. Morris that the receiving line would not be at the door between the Blue Drawing Room and the Pillared Room, but in front of the fireplace in the Blue Drawing Room. The guests would enter through the door between the Blue Drawing Room and the White Drawing Room, pass down the receiving line, and make their way to the Pillared Room. The receiving line would be covered by two television teams and two still photographers, ranged along the wall opposite.

After the reception, the President and the Prime Minister would mingle with the guests for a short while. The Prime Minister would then lead the President to the head of the table down the left hand side of the Dining Room.

/ At the end

At the end of the lunch, there would be formal toasts to The Queen and to the President, a 6-8 minute speech by the Prime Minister, and a short reply by the President, possibly followed by an informal toast to Anglo/American relations proposed by the Prime Minister. Ian Kydd will agree with the Americans the arrangements for taping the speeches (the White House insist on their own tape of the President's speech).

Sue Goodchild promised to let the Americans know as soon as possible as much of the seating plan as possible, and in particular the name of the guest sitting on the President's right hand side.

Talks: Wednesday 9 June

Ian Kydd will agree with the Americans the form of the photocall to be held before the talks in one of the State Rooms. Mr. Morris will let me know as soon as possible the President's wishes on the form the talks should take. It is likely that he will agree to a restricted session for the breakfast, followed by a plenary session, probably in the Cabinet Room.

Ian Kydd will agree with the Americans what form of microphone should be used for the statement to the press at the end of the talks. The American Security Service will also let us know whether they are happy with the arrangements suggested for the President's departure from Downing Street.

Communications

Robert Mitchell will contact Leslie Wright about the possibility of an extra line to the Embassy to be installed in the Front Hall. This will be for the use of those Presidential staff who will be accommodated in 11 and 12 Downing Street.

WPM

26 May 1982

2.

Prime Minister.

USA.

MR WHITMORE ✓

MR INGHAM

MR RYLANDS

MR TAYLOR

DUTY CLERK

FRONT DOOR

DETECTIVES

POLICE

To be aware.


AKW
22v.

VISIT OF PRESIDENT REAGAN 7-9 JUNE

PSA have advised me that, on May 25, they plan to begin erecting the stands in the street which will be required for the press coverage of President Reagan's visit.

They have allowed sufficient time to retain some flexibility to take account of weather and movement of VIPs.

The contact at PSA is Mr Sidney Richards, tel. 928 7999 x4859


IAN KYDD

21 May 1982

21 May 1982

I am writing on behalf of the Prime Minister to thank you for your letter of 20 May.

I confirm that the Prime Minister will be at the Special Waiting Room at Heathrow Airport, London (South) on Monday 7 June by not later than 5.40 pm.

I note that day dress with a hat will be worn.

C.S.

Lt-Col Sir John Johnson, KCVO, MC.

116



c. Dots +
label
LORD CHAMBERLAIN'S OFFICE,
ST JAMES'S PALACE, S.W.1

20th May, 1982

My dear Prime Minister,

Visit of

The President of the
United States of America
and Mrs. Reagan

Arrival - Monday, 7th June, 1982

I write to inform you that The Duke of Edinburgh will, on behalf of The Queen, meet The President of the United States of America and Mrs. Reagan upon their Arrival at Heathrow Airport - London (South) at 6.00 p.m. on Monday, 7th June.

The Queen wishes you, as Prime Minister, to be present on this occasion and to arrive at the Special Waiting Room at Heathrow Airport - London (South) by not later than 5.40 p.m.

Day Dress with a Hat will be worn.

I shall be grateful for an early acknowledgement of this letter.

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

Your sincerely,
John Johnston

The Rt. Hon. Margaret Thatcher, MP.,
10 Downing Street,
London, S.W.1.



AJK
I fear someone from No 10
must be there. Who?

GENTLEMAN USHER OF THE BLACK ROD
HOUSE OF LORDS LONDON SW1A 0PW

MAD
NE
Not me, I think.
Willie?
M 21/5

DISTRIBUTION BELOW

PRESIDENT REAGAN

REHEARSAL MON 7 JUNE 82

Further to my letter of 5 May (not to 10 Downing Street) on the arrangements for the Lord Great Chamberlain's rehearsal on Mon 7 June, I should be grateful to know whether your Principals will be able to attend or whether they will be represented (if the latter case, please let me have the names).

I suggest RV at Prince's Chamber at 1040 a.m.

For Mr. Pattison

Now that the PM is involved in the reception of Mrs. Reagan at the top of the Norman Porch stairs, I suggest that it would be helpful if the PM were to be represented under your arrangements at the rehearsal. The rep. could then brief the PM when convenient to her.

Please let me have the information required by this letter by Friday, 4th June.

Gentleman Usher of the Black Rod

Distribution

- Mr. Collon, Private Secretary to the Lord Chancellor
- Mr. Beaumont, Speaker's Secretary
- Mr. Pownall, Private Secretary to the Leader and Government Chief Whip, House of Lords
- Mr. Heyhoe, Private Secretary to Leader, House of Commons
- Mr. Pattison, 10 Downing Street

c.c.

- Mr. Maclean, Private Secretary to Government Chief Whip, House of Commons
- Brigadier Stileman, Yeoman Usher

20th May, 1982

file

NS

MR. TAYLOR

USA

President Reagan's Visit to Downing Street:
Tuesday 8 June

Could you please ring a Mr. Harris in the Foreign Office on 233 3021 about whether we will require the use of the FCO quadrangle for parking. I have told Mr. Harris that I thought we probably would.

CS

14 May 1982



The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>943</i> (one piece/item number)	
Extract/Item details: <i>Richards to Coles dated 14 May 1982</i>	
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SUBJECT

ce Matters



file

10 DOWNING STREET

BK.
cc. Sue Goodchild
Mr. Taylor.
Mr. Lylands
Jan Rydd
C. Stephens.
Detectives

From the Private Secretary

12 May 1982

Dear Francis

VISIT BY PRESIDENT REAGAN

I had a meeting last Friday with Mr. McManus and the other Presidential aides who are handling the administrative arrangements for this visit. Following the meeting, I consulted the Prime Minister, and she has agreed the following arrangements for her lunch with President Reagan on 8 June, and for her talks with the President on 9 June. I should be grateful if you could let the Americans know what she has decided.

Lunch: Tuesday, 8 June (1300 - 1420 hours)

The President's and Mrs. Reagan's departure from the Palace of Westminster will be arranged to allow the Prime Minister time to return here to receive them at about 1300 hours. The President and his wife and staff would apparently like 5 - 10 minutes to freshen up on arrival; and the Prime Minister will offer the President and Mrs. Reagan the use of her study and the adjoining washroom for this; his staff can use the waiting room and the washroom outside the Cabinet Room. Most of the guests at the lunch will have attended the audience in the Royal Gallery, and will arrive after the President and the Prime Minister. The Prime Minister and the President will receive them with Mr. Thatcher and Mrs. Reagan at the door between the blue drawing room and the pillared room (the State Rooms at the top of the stairs here). We will make arrangements for two television teams (one US and one UK), plus two still photographers, to cover the reception of guests. The guests' wives, who will probably arrive earlier, can await their husbands in 12 Downing Street.

The lunch itself will be for 65 guests, at a U-shaped table, in the large dining room. There will be an exchange of short speeches and toasts. No press will be allowed into the lunch. This is because space will be extremely limited, time will be desperately tight, and coverage of a lunch or dinner has never been our practice. Any Presidential staff who are not actually attending the lunch will be given something to eat in 11 or 12 Downing Street.

/ Talks:

Talks: Wednesday 9 June (0900 - 1030 hours)

The President will have spent the night at Windsor, and he will not have had time to have breakfast before leaving for London. The Prime Minister has therefore agreed to the suggestion that these talks should take the form of a working breakfast. They will be held in the small dining room. There will be a photocall in one of the State Rooms immediately before breakfast. We will also make arrangements for two television teams (one US and one UK) plus four photographers to film the Prime Minister and President sitting down to breakfast in the small dining room. ||

The Prime Minister would like to fall in with the President's wishes on the form the talks should take. One option would be to start with a tête à tête, plus one aide on each side. This could be followed by a plenary session for the last half of the talks, either in the small dining room, or in the Prime Minister's study. These Ministers, and the President's senior advisers, could be given breakfast in the large dining room, which adjoins the small dining room. The rest of the Presidential staff will be given something to eat in 11 or 12 Downing Street. ||

At the end of the talks, the Prime Minister will accompany the President to the Front Door, and speak to the press from the pavement immediately outside. The Prime Minister will speak first, and the President will reply. The press will be accommodated on stands immediately opposite, and in the street on the right-hand side of the door. After speaking to the press, the Prime Minister will bid farewell to the President in Downing Street. The Foreign and Commonwealth Secretary will bid farewell to the President and his wife at Heathrow.


Communications

The President's staff have asked for direct communication with the White House and the US Embassy to be laid on during the talks; and we will ensure that lines are available in the White Drawing Room (the State Room which adjoins the Prime Minister's study), and in the waiting room outside the Cabinet Room on the ground floor.

Yours ever

Willie Richett

Francis Richards, Esq.,
Foreign and Commonwealth Office

FR (RW)
2

PRIME MINISTER

VISIT BY PRESIDENT REAGAN - PRESS ARRANGEMENTS

Flag A You indicated on Willie Rickett's minute of 7 May that you were content to allow coverage of

- (a) the Reception in the Pillared Room prior to the lunch;
- (b) the lunch itself;
- (c) your working breakfast with the President.

May I ask you to reconsider coverage of the lunch? Space will be extremely limited (65 guests around a U-shape table) which will make it very difficult to move even one camera team in and out. Time will be desperately tight and the presence of television will inevitably cause some delay. In addition coverage of a lunch or dinner goes against all previous practice thereby setting a precedent which would make it extremely difficult for us to resist similar requests on future occasions.

Agree? that the lunch should be regarded as private?

Yes mf

Pre-lunch Reception

I suggest we make arrangements in respect of two television teams (one US and one UK) plus two photographers as you receive the guests in the Blue Room by the entrance to the Pillared Room.

Working Breakfast

I suggest two television teams (one US and one UK) and four photographers for a few moments immediately after you sit down at the table with the President in the small Dining Room.

Agree?

In addition to the above, we are planning a photocall in one of the State Rooms immediately before the working breakfast. This will enable a larger rota than could be accommodated in the small

2.

Dining Room to obtain formal pictures of you with the President.
We are also making arrangements for you and the President to
speak to the Press from the pavement immediately outside the front
door following the talks.

Content?

Yes
not

IK

IAN KYDD
11 May 1982



The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>943</i> (one piece/item number)	
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10 DOWNING STREET
DETECTIVES

Banquet at Windsor Castle
8 June

I attach:

1. invitation;
2. windscreen label;
3. entrance card;
4. dinner ticket.

CAROLINE STEPHENS

11 May, 1982



10 DOWNING STREET

The Prime Minister and Mr. Thatcher present their compliments to the Lord Steward and have the honour to accept the invitation conveyed by command of Her Majesty to a State Banquet at Windsor Castle, on Tuesday, 8 June, 1982.

11 May, 1982



received.
11/5

The Lord Steward
has received Her Majesty's command to invite

The Prime Minister and Mr. Denis Thatcher
to a Banquet to be given by
The Queen and The Prince Philip, Duke of Edinburgh
at Windsor Castle in honour of
The President of the United States of America
and Mrs. Reagan
on Tuesday, 8th June, 1982, at 8.30 p.m.

Please reply to the Master of the Household, Buckingham Palace.
Guests are asked to arrive between 7.50 and 8.10 p.m.

Evening Dress, Decorations
Uniform for Serving Officers

MR. WRIGHT
CABINET OFFICE

I agree with the participation you propose, in your three minutes of 10 May, for the Prime Minister's briefing meetings for the Versailles Economic Summit, the Visit of President Reagan and the NATO Summit.

A J COLES

10 May 1982

RESTRICTED



Ref. A08364

MR. COLES

Prime Minister's Briefing Meeting for the Visit of President Reagan:
7th-9th June 1982

I should be grateful for your agreement to the following Ministers being invited to attend the Prime Minister's briefing meeting for President Reagan's visit at 4.00 pm on Thursday 3rd June 1982:

Chancellor of the Exchequer /

Foreign and Commonwealth Secretary /

The following officials should also be present:

Sir Kenneth Couzens, Treasury /

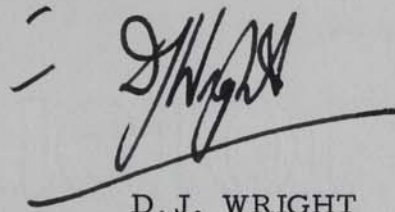
Sir Antony Acland and Mr. J.L. Bullard, FCO /

Sir Robert Armstrong, Cabinet Office /

Sir Nicholas Henderson /

Mr. Walter .

Mr. Lyham .



D. J. WRIGHT

10th May, 1982

RESTRICTED



The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
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From: Lieutenant-General Sir David House, GCB, CBE, MC.



GENTLEMAN USHER OF THE BLACK ROD
HOUSE OF LORDS LONDON SW1A 0PW

7 May 1982

DISTRIBUTION BELOW

PRESIDENT REAGAN'S ADDRESS IN ROYAL GALLERY

TUESDAY 8 JUNE 1982

Arising from this morning's discussion with the US advance party and their requirements, the draft programme must now be adjusted to accommodate:

a. The diversion of The President (to the Robing Room) for him to take a short pause en route to the Royal Gallery.

b. The seating of Mrs Reagan in the body of the Gallery (by the PM) rather than on the dais.

This has implications on the reception arrangements; and I suggest the following revised solution:

a. Lord Great Chamberlain (LGC) meets as before at place of arrival.

b. LGC introduces PM to both The President and Mrs Reagan at the top of Norman Porch stairs.

c. LGC escorts The President on into the Robing Room.

d. PM escorts Mrs Reagan into the Royal Gallery where she presents the Lord President and Lord Privy Seal en route to taking Mrs Reagan to her seat.

e. LGC conducts The President from the Robing Room via the top of Norman Porch stairs where the Lord President and the Lord Privy Seal, having taken station there in the interim, are presented as before.

/...

Handwritten notes:
1. A. sc. 1/5.
1. told PM of revised arrangement re Mrs. Reagan. She is content.
2. CF re M/D 11/v.



GENTLEMAN USHER OF THE BLACK ROD
HOUSE OF LORDS LONDON SW1A 0PW

f. The rest of the programme can remain as before until The Lord Chancellor and The Speaker take leave following the conclusion of the addresses when, for the intended exit through the Royal Gallery to Peers' Entrance via Prince's Chamber, The President would be joined by Mrs Reagan.

I have incorporated these adjustments in the attached and would be grateful for approval or comments in the course of Monday 10 May in order that I can consult the LGC and that printing deadlines may be met.

It will be seen that, for the time being, I have to leave the place of arrival as blank, but I hope that this, too, can be resolved in the course of Monday.

A handwritten signature in cursive script, appearing to read "John", written in dark ink.

Gentleman Usher of the Black Rod

Distribution

Lt Col Sir John Johnston, Lord Chamberlain's Office
Mr Michael Pattison, 10 Downing Street
Mr Pownall, Private Secretary to Leader and Government Chief
Whip, House of Lords
Mr Heyhoe, Private Secretary to the Leader of the House of
Commons
Mr Maclean, Private Secretary to the Government Chief Whip,
House of Commons

Information copies to:

Mr Gibbs, Vice Marshal of the Diplomatic Corps
Mr Gordon, Foreign and Commonwealth Office,
Mr Collon, Private Secretary to Lord Chancellor
Mr Beaumont, Speaker's Secretary
Mr Fellowes, Buckingham Palace
Mr Shea, Buckingham Palace
Brigadier Stileman, Yeoman Usher



GENTLEMAN USHER OF THE BLACK ROD
HOUSE OF LORDS LONDON SW1A 0PW

PRESIDENT REAGAN'S ADDRESS IN ROYAL GALLERY

TUESDAY 8 JUNE 1982

ADJUSTMENT TO DRAFT PROGRAMME

REF DIVERSION OF THE PRESIDENT TO ROBIN ROOM
AND SEATING OF MRS REAGAN

- 11.00 am Royal Gallery doors open for arrival of Peers and Members of Parliament (Prince's Chamber) and Guests and Press (Norman Porch).
- 11.40 am Norman Porch closed to Guests and Press. The State Trumpeters and a detachment of The Queen's Bodyguard of the Yeoman of the Guard proceed to their appointed stations.
- 11.45 am The Lord Chancellor and The Speaker arrive in the Prince's Chamber.
- 11.48 am The Speaker enters the Royal Gallery and proceeds to the dais.
- 11.50 am The Lord Chancellor enters the Royal Gallery and proceeds to the dais.
- 11.55 am THE PRESIDENT OF THE UNITED STATES OF AMERICA AND MRS REAGAN accompanied by members of the suite in attendance, arrive at ? where they are met by THE MARQUIS OF CHOLMONDELEY The Lord Great Chamberlain Norman Porch who conducts the President and Mrs Reagan up the staircase.
- A detachment of The Queen's Bodyguard of the Yeomen of the Guard will be on duty on the staircase.
- At the top of the staircase, the Lord Great Chamberlain presents:
- THE RT. HON. MARGARET THATCHER, MP
The Prime Minister and First Lord of the Treasury.

/...



GENTLEMAN USHER OF THE BLACK ROD
HOUSE OF LORDS LONDON SW1A 0PW

The Lord Great Chamberlain conducts The President into the Robing Room.

The Prime Minister conducts Mrs Reagan into the Royal Gallery and presents:

THE RT. HON. JOHN BIFFEN, MP
The Lord President of the Council and Leader of the House of Commons

and

THE RT. HON. THE BARONESS YOUNG
The Lord Privy Seal and Leader of the House of Lords

The Prime Minister then conducts Mrs Reagan to her seat.

Members of the suite in attendance proceed to their seats.

The Lord Great Chamberlain conducts The President from the Robing Room via the top of the Norman Porch staircase where he presents:

THE RT. HON. JOHN BIFFEN, MP
The Lord President of the Council and Leader of the House of Commons

and

THE RT. HON. THE BARONESS YOUNG
The Lord Privy Seal and Leader of the House of Lords

The Lord Great Chamberlain then conducts The President into the Royal Gallery. A fanfare of trumpets is sounded by the State Trumpeters.

At the foot of the steps to the dais, the Lord Great Chamberlain presents:

/...



ANNEX 'A' (3)

GENTLEMAN USHER OF THE BLACK ROD
HOUSE OF LORDS LONDON SW1A 0PW

THE RT. HON. THE LORD HAILSHAM OF ST. MARYLEBONE
The Lord Chancellor

and

THE RT. HON. GEORGE THOMAS, MP
The Speaker of the House of Commons
who will escort The President on to the dais to
take their seats.

The Lord President of the Council and the Lord Privy
Seal proceed to their seats.

The Lord Chancellor welcomes The President and Mrs
Reagan.

THE PRESIDENT OF THE UNITED STATES OF AMERICA

then addresses the assembled Peers and Members of
Parliament.

The Speaker of the House of Commons thanks The President.

On Conclusion: The Lord Great Chamberlain proceeds to the foot of the
stairs to the dais.

A fanfare of trumpets is sounded.

The Lord Chancellor and The Speaker conduct The President
from the dais and take leave at the foot of the steps.

The Lord Great Chamberlain preceded by the Lord President
of the Council and the Lord Privy Seal, escort The
President, joined by Mrs Reagan, through the Royal Gallery
to the Prince's Chamber where:

The Rt. Hon. The Baroness Young
The Lord Privy Seal

and

/...



ANNEX 'A' (4)

GENTLEMAN USHER OF THE BLACK ROD
HOUSE OF LORDS LONDON SW1A 0PW

The Rt. Hon. John Biffen, MP
The Lord President of the Council

take leave; and during which:

The Prime Minister leaves the Royal Gallery
by Norman Porch for 10 Downing Street.

The Lord Chancellor and The Speaker of the
House of Commons leave the Royal Gallery via
the Robing Room.

The suite not in immediate attendance on The
President leave the Royal Gallery by Norman
Porch.

The Lord Great Chamberlain conducts The President
of the United State of America and Mrs Reagan to
Peers' Entrance where he takes leave.

12.45 pm The President of the United States of America and
Mrs Reagan, with the accompanying suite, depart by
car for 10 Downing Street.

PM has seen
MAJ
7/11

PRIME MINISTER

c.c. Mr. Whitmore
Mr. Coles

PRESIDENT REAGAN'S ARRIVAL AT THE PALACE OF WESTMINSTER

I mentioned to you the question of whether President Reagan should enter the House of Lords through the Sovereign's Entrance. I have today learned that there is strong political advice against this. We need a decision no later than Monday, to meet the programme printing timetable. I therefore set out below the points to be considered.

Initial planning for this part of the programme has covered only two options: the Norman Porch or the Sovereign's Entrance. Those responsible for security in the Lords recommend the use of the Sovereign's Entrance. It has clear advantages over the Norman Porch, at which the arrival would be in the open air.

There are, however, four possible entrances in the same vicinity. The two additional ones both lead off the archway at Chancellor's Gate. The more formal of these two is unsuitable, because it leads to the wrong side of the Royal Gallery. But the entrance on the right-hand-side of Chancellor's Gate leads through to exactly the same point as the other two entrances. It is normally fairly untidy because it is used for trades people, but it could easily be tidied up. It appears to be as satisfactory on security grounds as the Sovereign's Entrance.

Having learnt today of the Chancellor's Gate alternative, both Commons' Chief Whips are strongly of the view that President Reagan should use the Chancellor's Gate entrance if security makes the Norman Porch unacceptable. There is no precedent for a visiting Head of State to be accorded the use of the Sovereign's Entrance. Its use would therefore offer an excuse for another political fuss, perhaps leaving the Americans with the feeling that a significant proportion of our MPs and/or the British public wanted to embarrass the President.

/The suggestion

The suggestion for the use of the Sovereign's Entrance was made entirely on security grounds. There was no suggestion of a conscious decision in protocol terms to add extra splendour to President Reagan's visit compared with, say, President Giscard d'Estaing. If another option is equally valid in security terms, there is therefore a strong case for using that.

I have asked for urgent confirmation that the security authorities do place the Chancellor's Gate entrance on a par with the Sovereign's Entrance. If that is confirmed,

the choice should rest between the Norman Porch and the Chancellor's Gate entrance?

MD

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FREEDOM OF INFORMATION
ACT 2000

7 May 1982

- A
1. MR. COLES *AD 7/3.*
2. PRIME MINISTER

VISIT OF PRESIDENT REAGAN

I had a meeting today with the Presidential aides who are handling the administrative arrangements for this visit. Although I did not give any firm commitments on the arrangements, I think that the following would be what the Americans would prefer.

Lunch: Tuesday 8 June

They could join the reception in the pillared room

The President's and Mrs. Reagan's departure from the Palace of Westminster will be arranged to allow you time to return here to receive them. There will be a photocall, either in the hall, or in one of the State Rooms. The President and his wife and staff would like five to ten minutes to freshen up on arrival; and I think that you may wish to offer the President and Mrs. Reagan the use of the Study and your wash-room for this; his staff can use the Waiting Room and wash-room outside the Cabinet Room. Most of the guests at the lunch will have attended the Audience in the Royal Gallery. You and the President may wish to receive them with Mr. Thatcher and Mrs. Reagan at the door between the Blue Drawing Room and the Pillared Room. The guests' wives, who will probably arrive earlier, can await their husbands in No. 12. The lunch will be for 65, at a U-shaped table, in the large Dining Room. There will be an exchange of short speeches and toasts. The President's staff have suggested that the press should be allowed into the building to film some of the lunch, but I think we must resist this. Any Presidential staff who are not actually attending the lunch will be given something to eat in No. 12.

Talks: Wednesday 9 June

These will be held from 0900 to 1030. The President will have spent the night at Windsor and his staff say that he will not have had time to have had breakfast before leaving

/for London

for London for the talks. He has apparently asked if the talks can take the form of a working breakfast. I think we must accept this. I suggest the talks should therefore be held in the small Dining Room, since the President is said to prefer a fairly substantial breakfast. John Coles feels that the breakfast should be confined to you and the President plus one aide on each side. There could be a plenary session for the last half of the talks, and the Ministers involved could join you either in the small Dining Room, or in your Study. These Ministers, and the President's Senior Advisers, could be given breakfast in the large Dining Room. The rest of the Presidential staff will be given something to eat in No. 11. The President's staff have asked for direct communication with the White House, via the US Embassy, to be laid on during the talks; and we will ensure that lines are available in the White Drawing Room and in the Waiting Room.

Photocall before photos at bfast

*Yes Mr
As he wishes.*

Again, the President's staff have asked if the press can be allowed to photograph you starting your breakfast, and I think this must also be resisted. At the end of the talks you will accompany the President to the front door, and speak to the press from the pavement immediately outside. I suggest that you speak first and that the President should reply. The press will be accommodated on stands immediately opposite and in the street on the right-hand-side of the door. After speaking to the press, you will bid farewell to the President in Downing Street. A Cabinet Minister will bid farewell to the President and his wife at Heathrow.

Yes - see U.S. vice d.

Bym

Content that we should suggest these arrangements to the Americans?

Yes

Ian Kydd has discussed the press arrangements with White House press officers, and Bernard Ingham is content with what I suggest.

7 May 1982

WR

PRIME MINISTER

VISIT OF PRESIDENT REAGAN

Unless you see objection, Mr. Michael McManus, a Deputy Assistant to the President, will be visiting No. 10 at 1130 tomorrow with a team of assistants. They want to see all the rooms which the President will be using when he visits London in June. Mr. McManus' call at No. 10 is part of a wider programme which involves reconnaissance of all the venues of events in the President's programme.

There is of course no need for you to be involved. But I should like to show the visitors the White Drawing Room (on the assumption that you will hold your talks with the President there) and the Dining Room. I should also like to use the small Dining Room for a brief meeting with the team when they arrive.

Are you content that I should proceed as above?

*And the study
in case we use it.*

A.J.C.

*They can see
everywhere - they
will need to for
security purposes.
not*

6 May 1982

CONFIDENTIAL

ATC Seen



Foreign and Commonwealth Office

London SW1A 2AH

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FREEDOM OF INFORMATION
ACT 2000

5 May 1982

Dear John,

Visit of President Reagan

As you know, Mr Michael McManus, a Deputy Assistant to the President and Deputy Chief of Staff at the White House, will be in London on 7 May. A copy of his programme is attached and we are grateful to you for agreeing to allow Mr McManus and his party time to visit 10 Downing Street. We shall of course check before they come over from the Royal Gallery that this is still convenient.

We hope that Mr McManus will be able to confirm that the programme has been accepted by President and Mrs Reagan. The programme remains as set out in the enclosure to my letter of 16 April with the exception that we now expect the banquet on 8 June to begin at 8.30.

You will have seen

that the arrangements for the arrival for the Address at Westminster have been modified slightly. This is a break from earlier precedents, but the office of the House would like to see this entrance used for all such occasions in the future. The Entrance is more imposing than the Norman Porch. But it also offers better security protection, which was the basis for the recommendation that it should be used. You will also know from Murdo MacLean that arrangements have now been made for Mrs Reagan to sit on the dais during the ceremony. This will make for a tidier arrival. It will also make it easier for the Prime Minister to leave separately for No 10 Downing Street whilst the President and Mrs Reagan exit through the Prince's Chamber and the Peer's Entrance.

In the first paragraph of your letter of 20 April you asked me to let you know which Cabinet Ministers would be available to bid farewell at Heathrow. I can confirm that Mr Pym will represent the Prime Minister.

/On the

CONFIDENTIAL



CONFIDENTIAL

On the assumption that Mr McManus proposes no further amendments to the programme, I should be grateful for your confirmation that the Prime Minister is content

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ACT 2000

Yours ever,

(F N Richards)
Private Secretary

A J Coles Esq
10 Downing Street

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LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>943</i> (one piece/item number)	
Extract/Item details: <i>Document attached to Richards to Coles dated 5 May 1982</i>	
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PART 1 ends:-

ATC to PM 30.4.82

PART 2 begins:-

May 1982