



10 DOWNING STREET

From the Principal Private Secretary

27 February 1981

Dear George,

Prime Minister's Visit to Washington

I attach a copy of the record of the plenary meeting held in the White House on Thursday, 26 February.

In view of what Mr. Haig said subsequently to Lord Carrington about the American position on the Mexico Summit, I have taken a slight liberty with that part of the note and in particular have not recorded President Reagan's statement that he would tell President Portillo that he would attend the Summit if it were held in the autumn.

I am sending copies of this letter and of the record to Brian Norbury (Ministry of Defence) and David Wright (Cabinet Office).

Yours was,

Alvin Whimmon.

G. G. H. Walden, Esq.,
Foreign and Commonwealth Office.

Subject

RECORD OF A MEETING HELD AT THE WHITE HOUSE ON THURSDAY 26 FEBRUARY
AT 1145 A.M.

Present: Prime Minister
Foreign and Commonwealth Secretary
Sir Nicholas Henderson
Sir Robert Armstrong
Sir Michael Palliser
Sir Frank Cooper
Mr. Julian Bullard
Mr. Clive Whitmore
Mr. Michael Alexander
Mr. George Walden
Mr. Bernard Ingham

President of the United States
Vice President of the United States
Secretary of State Haig
Mr. Ed Meese
Mr. James Baker
Mr. Richard Allen
Mr. Michael Deaver
Mr. Larry Eagleburger
Ambassador Walter Stoessel
Mr. James Rentschler

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President Reagan extended a warm welcome to the Prime Minister and the members of her party. He said that, in their tete-a-tete meeting, he and the Prime Minister had discussed a number of subjects which were to the forefront of their minds at present. In deciding how to tackle the problems facing the world the United States would not take anybody by surprise. They would always consult their allies before taking action. He regarded it as particularly vital to maintain the relationship which had existed for years between the United States and the United Kingdom: this required close consultation and co-operation.

/ The Prime Minister

The Prime Minister thanked the President for his very warm welcome. She thought that it would be helpful if the discussion could cover the East/West relationship, the problems of Central and South America and the proposed Mexico Summit. She added that our difficulties in dealing with the many political problems facing our two countries and our allies were made all the greater by the world recession which was still continuing. The industrialised countries still had to come to terms with the monopoly power of the oil-producing countries to fix oil prices. We still had not decided how to concert our relationship with them.

East/West Relations

The Prime Minister said that the West needed to consider very carefully its response to President Brezhnev's recent speech. The line he had taken had been a subtle one which had appealed to the West's inherent weaknesses. So far she had responded to questions about whether the West would accept President Brezhnev's invitation to an International Conference by saying that we were still considering our response. In taking this holding line in the House of Commons she had pointed out that there was really nothing new in the speech and that if the Soviet Union wanted to give an earnest of its good intentions, it should first withdraw its forces from Afghanistan. She had also commented that it was not surprising that the/^{Russians} were proposing a moratorium on theatre nuclear forces in Europe, for with their present advantages in both numbers and sophistication in such weapons this would be greatly to their benefit. She did not believe, however, that the West could refuse to parley with the Soviet Union. But we would need to take several long spoons to sup with them.

President Reagan agreed that a meeting with the Soviet Union would need a great deal of preparation and could take place only after there had been full consultation between the United States and its allies. He did not believe that such a meeting could be confined to arms control matters: rather it would also have to cover such other issues as Afghanistan and Soviet backing for Cuba's efforts to export revolution. It would be no use going into a Summit meeting pretending that these other problems did not exist. Publicly his position on President Brezhnev's proposal that there should be an International Conference was neither "no" nor "yes", but that he was interested in it.

Central and South America

President Reagan said that Central and South America had become a part of the / ^{predominant} international problem facing the West today. The villain in this area was the same one who confronted the world at large, and the form it took here was revolution exported by Cuba with Soviet backing. Over the years the United States had tried to follow a variety of programmes in relation to its neighbours in the South, but although full of good intentions, they had behaved insensitively. All too often they / ^{had} appeared to the countries of Central and South America as the colossus of the North who produced plans which they were expected to accept. He wanted a new approach to these countries based on a common love of freedom and a determination to oppose totalitarianism. He had tried to establish a fresh relationship with Mexico at his recent meeting with President Portillo. He had told him that he positively wanted to hear his views, and their discussions had been friendly and, he believed, had broken through a number of barriers.

President Reagan continued that he remained very concerned about the position in El Salvador. There seemed to be at the moment a lull in the supply of arms to the guerillas there but this might be only temporary. There was no doubt about what Cuba was doing: they were clearly interfering as an outside power in the internal affairs of El Salvador. The United States was simply trying to preserve the Government of the country. Their forces were not well trained and they needed equipment. Even though they were in the middle of a civil war, they were still trying to introduce social reforms, including land reform.

The Prime Minister said that it was very important that the West did not lose the propaganda war over El Salvador. At the moment the Left were taking advantage of every difficulty in the position of the American and El Salvador Governments. One particular difficulty was that if the United States were seen to be attempting to keep a particular regime in power, it might be accused of doing precisely what the Russians were doing in Afghanistan. The most useful line the West could take publicly was to expose what Cuba

/ was doing

was doing to supplying the guerillas with arms and training. The British Government had recently put out a statement condemning the guerillas and this had been well received.

Secretary of State Haig said that the United States must not let El Salvador be a repeat of history where they became deeply involved/^{mainly} in a country where social problems were at the root of the trouble. They should try to go to the source of these problems rather than get drawn into a bloody local war. He was convinced that without Cuban involvement the present El Salvador Government would survive and thrive. A Marxist regime was not attractive to the population. The guerillas had thought that they would bring about a popular uprising, but this had not happened and they were fighting without the support of the people. The United States were conscious of European sensitivities, but it was essential that they helped El Salvador with economic aid, military training and some arms if they were to be sustained and brought through their present difficulties.

/ Mr. Haig

Mr. Haig then raised the subject of Belize. The Guatemalan Foreign Minister had recently visited Washington and appeared ready to abandon his Government's earlier position on territorial claims on Belize and to want to settle the issue. The sticking point now seemed to be the cays. If these could be transferred to Guatemala in some appropriate way, agreement appeared to be within reach. It was essential that Prime Minister Price took part himself in future meetings and not Mr. Shoman, who was particularly disliked by the Guatemalans. The United States would like to see this long-standing dispute settled peacefully. It might help if the United Kingdom would consider leaving their forces in Belize after independence.

The Foreign and Commonwealth Secretary said that the Guatemalan Government had indeed moved a very long way. Their present position was that they were demanding two groups of cays: they were no longer seeking territory on the mainland. He had recently seen Mr. Price and he thought that he would be ready to give up one of the groups but not the other. Mr. Price's problem was that any deal had to be sold to the people of Belize and the cession or leasing of territory was dynamite politically for him. Even so, he believed that he had moved him sufficiently on the cays for it to be worth while holding a meeting the following week with him and the Guatemalans. It might be possible to push Mr. Price a little further but if Britain did that, the United States would have to push Guatemala too.

If agreement was reached with Guatemala, there would be no need for British forces to stay in Belize, though the United Kingdom would be spending some money training a small Belizean defence force. If, on the other hand, Belize became independent without a settlement with Guatemala, British forces would probably have to remain in the country for a while. He recognised American fears that even if

/ there was

there was a settlement, Belize might be open to infiltration by Cuba or, even worse, might actively turn to Cuba for help. He doubted whether Mr. Price who, though a Socialist, was a strong Catholic, would look to Cuba. But Mr. Shoman might and it was therefore essential to keep Mr. Price firmly in the saddle. It would, however, be difficult to leave British troops behind after independence in order to keep an eye on possible Cuban involvement in Belize, though if we trained the Belizean forces, there would be a limited British military presence in the country still.

Mr. Haig agreed that such a training presence would help stop Belize turning to Cuba.

President Reagan said that Mr. Seaga's victory in Jamaica had been very encouraging. Nonetheless, there was concern about the state of affairs in Jamaica where American weapons left in Vietnam had begun to turn up. The economy had been shattered by the actions of the previous Government, and the United States was giving economic aid. Mr. David Rockefeller was chairing an American group which was seeing what could be done by the private sector to stimulate the Jamaican economy and to provide new jobs.

The Prime Minister said that Britain too gave large amounts of aid to Jamaica. More generally, it was notable that when Caribbean islands were allowed a free vote, they were at present turning out left-wing regimes and replacing them with more right-wing governments.

/ Mexico-Summit

Mexico Summit

The Prime Minister said that the timing of the Mexico Summit depended to a large extent on whether President Reagan would attend. If he did not go, it might jeopardise the new relationship between the United States and Mexico which he had described earlier. There were arguments for postponing the meeting which was provisionally planned at present for 12/13 June. If it were put back to later in the year, this would make it possible for the West to concert its position at the Ottawa Summit.

Mr. Haig said that he was inclined to believe that it would be a good idea to delay the Mexico Summit. No decision had yet been taken, however, about President Reagan's attendance: they had to bear in mind who else would be there, e.g., Dr. Castro. Nonetheless, he recognised that it would probably help in the development of the new US/Mexican relationship if President Reagan attended the Summit.

The Foreign and Commonwealth Secretary added that it might be helpful if there could be some indication of President Reagan's intentions before the meeting of the sponsors of the Conference in Vienna in mid-March.

The meeting ended at 1230.

haw.

27 February 1981