# THE SECRETARY OF STATE WASHINGTON



November 12, 1986

MEMORANDUM FOR: THE PRESIDENT

FROM:

George P. Shultz

SUBJECT:

Visit of UK Prime Minister Thatcher

November 15, 1986



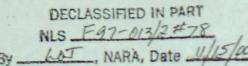
The UK is now in a pre-election phase in anticipation that Mrs. Thatcher will call elections sometime in 1987, although her mandate runs to June 1988.



- Labor had been leading in public opinion polls, but last week two polls showed the Conservatives had regained a small lead.
- On the economic front, high level of unemployment, 11.6%. However, a small drop in September may indicate the start of a downward trend.
- o Overall the economy is behaving rather well. Growth this year will be in the two percent range, with many predicting brighter prospects next year. Inflation is at its ; lowest rate in 20 years - three percent.

Arms Control/East-West Relations





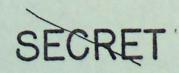
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Terrorism

- O UK measures against Syria following the Hindawi trial were forceful and reportedly owed their strength to Mrs.

  Thatcher's personal direction.
- o At the November 10 EC Foreign Ministers' meeting, 11 of the 12 announced their decisions to implement the agreed measures against Syria.



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o We hope to announce a set of our own measures before Mrs. Thatcher arrives. We will want to consult with her on the 15th about further steps.

## Middle East

- O We do not foresee any breakthroughs in the Middle East peace process in the coming months.
- o King Hussein, however, has announced a \$750 million development plan for the West Bank and Gaza. We asked the UK on November 4 to consider funding the program.
- o Plan would give Palestinians a greater economic stake in a peace settlement and strengthen King's hand in the West Bank and Gaza



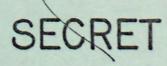
#### Southern Africa

- O UK, US, and FRG Africa experts (Assistant Secretary Crocker for the U.S.) met in London October 30 to consult on Western policy toward South Africa.
- In Mozambique, Foreign Minister Chissano was chosen to succeed Machel as President.
- o We have heard that Zimbabwe and Zambia may be planning to implement sanctions against South Africa agreed to by Commonwealth. Would lead to certain SAG retaliation.

# Argentina/Falklands

o The Falklands may be raised because of the strong Argentine reaction to the UK's unilateral declaration on October 29 of a 150-mile Falklands fishing zone.







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#### Northern Ireland

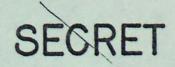
- O November 15 is the first anniversary of the Anglo-Irish agreement and will be the culmination of Unionist demonstrations in Northern Ireland against the agreement.
- o Unless there are dramatic and unexpected developments, we do not expect Mrs. Thatcher to raise this topic.

#### II. WHAT DO WE WANT

- o To obtain Mrs. Thatcher's understanding of and support for all parts of your arms control objectives, including SDI research, the zero-zero INF solution for Europe and the elimination of offensive ballistic missiles within the ten-year time frame discussed at Reykjavik.
- o To indicate our strong support for Mrs. Thatcher and HMG policies on defense, specifically nuclear modernization and increased expenditures for defense.
- o In doing so, to ensure that she returns to London reassured about the direction of our policies.
- o To obtain British agreement to continuing strong measures against international terrorism, particularly in the Middle East and particularly against Syria, and for lining up international support for such measures.
- o To review proposals on the Middle East

# III. WHAT DOES MRS. THATCHER WANT

- o Generally to strengthen her pre-election position by bringing U.S. and UK positions on arms control into harmony.
- To obtain a strong U.S. endorsement of HMG's positions on defense and nuclear weapons, specifically the continuing





need for Tridents, nuclear weapons, and offensive ballistic missiles as long as a non-nuclear imbalance exists in Europe.



o To obtain assurance that we will consult with her and other NATO leaders as we pursue our new arms control agenda and that we will take account of European concerns about the Soviet conventional advantage in Europe.

### IV. WHAT CAN BE ACHIEVED FROM THIS VISIT

- o Strengthen Alliance cohesion and support by reconciling your commitment to eliminate offensive ballistic missiles within ten years with Mrs. Thatcher's commitment to deploy UK Tridents within the same time frame.
- o Similarly, to find a mutually acceptable formula that drastic nuclear reductions such as the elimination of offensive ballistic missiles are inadvisable as long as conventional and chemical weapon imbalances exist in Europe.
- Obtain restatement of strong British support for our positions on INF, SDI, and strategic nuclear reductions.
- O Combine these understandings in a strong agreed press treatment of US/UK unity on arms control matters supportive of U.S. positions
- o Endorse a common, concerted approach toward Syria.

