



Prime Minister. 2

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① Agree Annexes A + C ?

② Agree to messages and/or telephone calls with Helmut Schmidt or Giscard before your departure for Washington? If so I will communicate texts & briefs.

Ref. A04180

MR ALEXANDER

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Pmt 3/2

Prime Minister's Visit to the United States:25-28 February

The Prime Minister is to visit Washington and New York from 25 to 28 February, accompanied by Lord Carrington. During the visit, she will have substantive talks with President Reagan in Washington and will also see him at two dinner engagements. Among her other engagements she will probably meet the Secretaries of State and of Defence and members of Congress. In New York she will almost certainly see the UN Secretary General.

2. Mrs Thatcher has met President Reagan twice before, when she was Leader of the Opposition. Mr Reagan regards the policies of the British Government as being very much the kind of policies he will wish to pursue. His high regard for the Prime Minister is reflected in his wish that she should be the first Head of Government to be invited to Washington. It is of particular importance that she will be the first leader from among the European allies to visit President Reagan. The visit will provide a valuable opportunity to exploit the Prime Minister's high standing in the USA; while the policy of the new Administration is still at a formative stage the Prime Minister should in this way be able both to gain American understanding for our policies and in some measure to influence American policies in our direction.

3. There may be no formal agenda for the talks with President Reagan. Furthermore, on the President's side, the discussion is likely to be of a very general nature without much evidence of a wish to get involved in dealing with the details of problems. Nonetheless the major foreign policy issues for discussion suggest themselves. Both leaders will wish to discuss East/West relations; defence policy including Alliance aspects both in Europe and in the Gulf; the Middle East; Southern Africa; and international economic issues in preparation for the Mexico and Ottawa Summits. There may also be some discussion of Caribbean and Central American questions. The Prime Minister will wish to make sure that President Reagan is properly apprised of the British Government's views on Northern Ireland.


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4. The meeting will also represent an important opportunity for discussions on a wide range of economic issues. The Prime Minister could invite the President to explain his own domestic economic policies and objectives and then respond with an account of her own Government's policies. In so doing she should be able to make a point of correcting some recent American criticisms, particularly in the Press, of British economic policy. From a discussion of the two Governments' economic policies, it should be possible to move on to ask the President for his views on the Mexico and Ottawa summits. In discussing the latter, the Prime Minister will also be able to welcome the new Administration's decision to decontrol oil and gasoline prices, as being consistent with the free market principles to which both Governments are committed, and to encourage him to move to economic pricing over the whole field of energy and of oil-based feedstocks to industry. Because of the effect of subsidised United States energy supplies on our own industry, the Prime Minister is likely to be questioned in the House about her talks with the President on this issue on her return.

5. During the visit the Prime Minister should also have the chance to discuss with the President three sensitive areas of our relationship:

- (a) Bilateral defence co-operation and the importance Her Majesty's Government attach to the Trident deal.
- (b) United Kingdom/United States Intelligence exchanges. It will be important for the Prime Minister to reassure the President that in spite of marginal cuts in expenditure, to be achieved through increased efficiency, we attach great importance to the United Kingdom/United States intelligence partnership and that the overall level of our co-operative intelligence effort is to be maintained.
- (c) Quadripartite Consultation. The Carter Administration was slow to appreciate the importance of such consultation. It would be helpful to ensure that President Reagan is aware of this from the outset.

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The briefs on all these three subjects will be given a restricted distribution. I have in addition included a brief on Counter-Terrorism which will provide the Prime Minister with points to make to President Reagan (who is said to have a particular interest in these questions) if the subject came up in the course of conversation.

6. Since the Prime Minister's visit to Washington will be the first by a European leader following President Reagan's inauguration, there will be those elsewhere in Europe - particularly perhaps in France - who may be disposed to read into it (or profess to do so) an attempt on our part to establish a new exclusive United Kingdom/United States relationship which might run contrary to their interests. There are various ways of briefing President Giscard and Chancellor Schmidt in advance of the visit. It would have been valuable if the Prime Minister had been able to have a short meeting with the two of them. But that would be both impracticable as well as likely to provoke unwelcome Press attention. I therefore think that the best way might be for the Prime Minister to have a word with them on the telephone, if she is prepared to do this. These exchanges could, if that seemed useful, be preceded by the despatch of messages from her to other Heads of Government indicating the way in which she was approaching her first meeting with the new United States President.

7. I attach at Annexes A and B a suggested outline of British and probable American Objectives, and at Annex C a suggested list of possible briefs, the preparation of which will be co-ordinated by the Cabinet Office. The assessment of American Objectives is obviously tentative at this stage and will probably need to be revised nearer the time of the visit. We will ask for the briefs to reach you on 20th February.

Robert Armstrong

3rd February 1981

UNITED KINGDOM OBJECTIVES

1. To demonstrate to the new President the fundamental importance we attach to our relations with the United States, in NATO, in United States-European Community co-operation, and bilaterally, and the value we see in consulting on and co-ordinating policy, in all three contexts.
2. To strengthen the President in his apparently favourable view of Britain in general, and of Mrs. Thatcher and her Government in particular.
3. To reinforce the stated inclination of the new President and his Secretary of State to consult closely and frequently with their NATO allies.
4. To impress upon President Reagan the importance and value of European Political Co-operation and the fact that it pulls in the same general direction as United States interests.
5. To discuss the need for co-ordinated policies in East-West relations, with particular reference to Afghanistan and South-West Asia, the role of arms control and the future of detente.
6. To exchange views on policy towards Poland, including the Western response to a Soviet military intervention and the handling of the rescheduling of Polish debt.
7. To establish our position as a partner whose views on defence and arms control command the attention of the new Administration, to explain the British Government's own defence effort and its approach to defence equipment collaboration with the United States, and to convince President Reagan of the importance of a defence policy which secures a positive and cohesive response from European allies.
8. To elicit from the President some indication of the new Administration's views on the Middle East, to explain European objectives in the Middle East, and to persuade him of the need for the United States to take a fresh look at the Palestine question with a view to a co-ordinated allied approach to the problems of the area.
9. To obtain American undertakings (a) to oppose the extension of mandatory United Nations sanctions against South Africa, but (b) to continue to support the objective of internationally recognised independence for Namibia, based upon the United Nations plan.
10. To seek an indication of the new Administration's domestic economic policies and objectives and of their views of the prospects for international economic relations (including aid questions), particularly in advance of the forthcoming North/South Summit in Mexico and the Summit of industrialised countries in Ottawa.

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11. To seek an agreed approach to international energy issues including the role of the IEA and to press hard for earlier de-regulation of United States natural gas prices.
12. To ensure that the President is aware of Her Majesty's Government's continued belief in the rightness of our domestic economic policies and our confidence in their ultimate success; and to administer an antidote to recent criticism of those policies in the United States.
13. To give the President and his adviser an account of the realities of the Northern Ireland situation and Her Majesty's Government's policy there and of the efforts we and the Irish are making to develop the 'unique relationship'.
14. To ensure that the President and his advisers understand our objectives in Belize and to win their support for early independence for that country with some kind of international defence guarantees.

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ANNEX B

PROBABLE UNITED STATES OBJECTIVES

1. To demonstrate to us the sincerity of President Reagan's undertaking to consult with America's allies.
2. To show the American public that the conduct of US foreign policy is in capable hands, and that their new President can perform effectively with, and is respected by, a foreign leader who is herself widely respected in the United States.
3. To demonstrate the essential solidarity of the Alliance, while persuading us to increase or at least maintain our contribution to Western defence and ensuring that we give our full support to the American defence posture in Europe and elsewhere.
4. To persuade us to put pressure on other allies to make a more effective contribution to the allied defence effort overall.
5. To ensure that Britain takes account of US views on relations with the Soviet Union.
6. To exchange views on a co-ordinated Western response in the event of a Soviet invasion of Poland, including significant economic sanctions by the Europeans as well as the Americans.
7. To persuade Her Majesty's Government to modify or withdraw support for any European initiative on the Arab/Israel dispute if this appears incompatible with US policy as it develops.

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ANNEX B (cont)

8. To ensure that Britain continues to make a permanent contribution to Caribbean security and, in so far as Britain has influence there, to persuade us to work for the re-establishment of stability in Central America.

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LIST OF BRIEFS FOR THE PRIME MINISTER'S
VISIT TO THE UNITED STATES
25th-28th February 1981

	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	Steering Brief	FCO	As appropriate
2.	East/West Relations (including Poland, Afghanistan, arms control, détente)	FCO	Tsy, MOD, Trade
3.	Defence Policy in the NATO area (including the NATO Review), the Gulf and South West Asia	MOD	FCO
4.	United Kingdom Defence Programme, Equipment Co-operation and Sales	MOD	FCO, Tsy, Industry, Trade
5.	Northern Ireland (including Arms for the TUC and Anglo-Irish relations)	NIO	FCO, MOD, Cabinet Office
6.	Regional Questions	FCO	
	(i) Near East, especially Arab-Israel		
	(ii) Southern Africa, Namibia and Zimbabwe		Trade
	(iii) The Gulf and Iran-Iraq		Defence
	(iv) China		
	(v) Caribbean and Central America		Defence
	(vi) Belize		Defence
	(vii) Falkland Islands		
7.	Vietnamese Refugees	FCO	Home Office
8.	United States Internal Political and Economic Scene	FCO	Treasury
9.	Exchanges about United States and United Kingdom Economic Policies	Treasury	FCO
10.	International Economic and Monetary Policy	Treasury	FCO
11.	Prospects for Mexico and Ottawa Summits	FCO	Tsy, Energy, Trade, Cabinet Office
12.	Energy (International and Bilateral issues)	Energy	Tsy, FCO, Trade
13.	Shipping: Civil Actions against United Kingdom Shipping Companies	Trade	FCO

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	<u>Subject</u>	<u>Lead</u> <u>Department</u>	<u>In consultation</u> <u>with</u>
14.	Counter-Terrorism	Home Office	FCO
15.	Anglo-American Defence Co-operation (Restricted Distribution)	MOD	FCO, Cabinet Office
16.	Anglo-United States Intelligence Co-operation (Restricted Distribution)	Cabinet Office	FCO, Tsy, Home Office, MOD
17.	Quadripartite Consultations (Restricted Distribution)	FCO	
18.	United Nations matters (for use with United Nations Secretary General)	FCO	

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