



Foreign and Commonwealth Office

London SW1A 2AH

16 July 1981

Dear Michael,

Ottawa Economic Summit:
Bilateral Meeting with President Reagan.

Flag A / I promised to write about the Prime Minister's meeting with President Reagan. General background is in Sir N Henderson's telegram No. 2112 (enclosed). We see the following objectives for this meeting:

- a) To reinforce Reagan's confidence in Britain as an ally;
- b) To develop further the good personal relationship already established, and
- c) To make some points on major issues where perspectives differ.

Flag B / With these aims in view, we suggest that the Prime Minister might begin with the central issue of East/West relations. After pointing to the difficulties facing the Soviet Union, Mrs Thatcher might mention the need for European opinion to be convinced that US policy is not confined to building up stronger defences, crucially important though that is. (There are Points to Make in the attachment to this letter and in the addendum to PMVL (31)13.)

Flag C / The Prime Minister might then speak about the UK, in particular the economy and defence priorities. Sir N Henderson's telegram No. 2125 (also enclosed) is relevant. The Prime Minister may also wish to ensure that our policy toward Northern Ireland is correctly understood.

The Prime Minister might then turn to the Middle East and Namibia, major subjects on which there are differences between the US and UK. (There are Points to Make in the attachment and in PMVL (81)9(6) (Revise) but this briefing will need to be reviewed in light of Lord Carrington's talks with Mr Haig in Washington.)

/Mrs Thatcher

M O'D B Alexander



Mrs Thatcher will presumably also wish to renew the invitation to President Reagan to visit the UK (Details in PMVL (81)13).

I should be grateful to know if, in the light of the Prime Minister's briefing meeting, you require any additional briefing for the Reagan bilateral.

Yours ever

Roderic Lyne

(R Lyne)
Private Secretary

MEETING WITH PRESIDENT REAGANPOINTS TO MAKEI EAST-WEST

1. Western firmness in recent months has helped put Soviet Union on defensive. Notably: US determination to redress the military balance; NATO's up-holding of double decision on Theatre Nuclear Forces; plans for a Rapid Deployment Force; development of relations with China; stronger warnings by West against Soviet intervention in Poland backed by progress in contingency planning.

2. This puts the West in a position of advantage / to test Soviet Union's readiness to negotiate in earnest. Neither Soviet Union nor public opinion in West has mistaken Ten's Afghanistan proposal for sign of weakness. Same approach could work well on TNF.

3. This approach demonstrates to our own people and world at large that our ultimate objective is more civilized East-West relations. Crucial if we are to maintain public support for stronger defences.

II UKIII MIDDLE EAST

1. How does President Reagan see the way ahead?
2. Looking at short-term, we fully support Habib mission.
3. Looking to longer-term, we see need:
 - a) to restrain Israelis from new provocative acts
 - b) to define an approach to comprehensive settlement that can take up where Camp David leaves off, and
 - c) to associate PLO with negotiations and to respond if PLO demonstrate publicly their readiness to recognise Israel and

negotiate peacefully.

IV NAMIBIA

1. Appreciate major effort US has been making to get South Africans on board a settlement.
2. In long run, Five together can achieve more than any one nation separately. Very important to hold together, share assessments, discuss steps forward.
3. Share wish of US and South Africans to see Cuban troops leave Angola but convinced neither Front Line States nor SWAPO will accept this as pre-condition of Namibia settlement.

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 ... in the long run, the Five together can achieve more than any one nation separately. ...
 ... share wish of US and South Africans to see Cuban troops leave Angola but convinced neither Front Line States nor SWAPO will accept this as pre-condition of Namibia settlement.

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